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How Serbs' 'Ethnic Cleansing' Turned to Mass Murder

By Roger Cohen
New York Times Service

VLAZENICA, Bosnia-Herzegovina — There were, according to the 1991 Yugoslav census, 18,699 Muslims living in and around this eastern Bosnian mining town. Dead now, or dispersed, they have all gone. Their fate was determined in a Serbian concentration camp concealed in a pine-clad valley about a mile from the city center. A former military depot surrounded by barbed wire, it is called Susica.

Although the camp is closed, the road to it is still barred and guarded, and a sign at the entrance to Vlasenica says, "Any loitering by foreigners is forbidden." The reason is simple: Susica hides terrible secrets about the Serbian slaughter and eviction of Muslims in Bosnia.

But now a Bosnian Serb, who was a guard at the camp and eventually fled Vlasenica, has provided, for

the first time, an insider's detailed account of the process of eviction and slaughter that "cleansed" Vlasenica of its Muslims.

The guard, Pero Popovic, 36, was interviewed three times by The New York Times and clearly recognized snapshots of former Muslim prisoners of Susica. Later, he was interrogated by investigators preparing

First of two articles

for Yugoslav war-crimes trials in The Hague. Convinced of his credibility, they have recommended that he be granted political asylum.

Mr. Popovic's account was corroborated by the convergent recollections of dozens of Susica survivors who now live as refugees and who provided the photos Mr. Popovic later viewed.

Mr. Popovic estimated that on the basis of individ-

ual and mass executions he personally witnessed, close to 3,000 Muslims from around Vlasenica lost their lives at Susica after the Bosnian war began in April 1992. "In all, about 3,000 were killed," he said. Those that survived lost their homes and possessions.

The existence of the camps — including Susica — has been known since August 1992, when, four months after the war began, the Omarska and Keraterm camps near Prijedor and Banja Luka were uncovered. Yet, doubts have remained over the extent of mass atrocities of Muslims, the degree of central decision-making in the operation and the reliability of often anonymous and exclusively Muslim witnesses.

Serbs have insisted that the camps were centers for prisoners of war — that is, combatants rather than civilians.

But the accounts of camp survivors and Mr. Popo-

vic — who is prepared to testify at war-crimes trials — tell a different story and establish these points:

- The intimidation and confinement of Vlasenica's Muslim civilians was instigated by a unit of the Yugoslav Army, based in the northern Serbian town of Novi Sad. Ultimate command of the Susica camp rested throughout with Major Mile Jacimovic, an officer in the Yugoslav Army in the town of Plevlje in the Sandzak area of the rump Yugoslav state, Mr. Popovic said. The role suggests the degree to which the "ethnic cleansing" of Bosnia's Muslims was coordinated by the Yugoslav Army and Serbian authorities in Belgrade, contradicting Belgrade's repeated claims that the Bosnian war has been an affair solely of the Bosnian Serbs.
- From the time Susica opened on June 2, 1992, See CAMP, Page 5

UN Votes Yes On Invading Haiti, but Sets No Deadline

Council Leaves Timing To Clinton as Pressure Mounts on Cedras Junta

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — The Security Council on Sunday authorized the United States to lead a multinational invasion to drive out the military rulers of Haiti and restore the country's elected president.

The resolution authorizing the use of force passed by a vote of 12 to 0, with China and Brazil abstaining. The 15th member, Rwanda, was not in attendance because of its domestic problems.

By securing UN blessing for the first time for an armed intervention in the Western hemisphere, the Clinton administration demonstrated that it has global support to oust the military leaders, raising to the maximum the pressure on them to step aside.

The Security Council resolution sets no deadline for U.S. forces to launch an intervention, leaving the timing up to President Bill Clinton. U.S. officials said no action was imminent.

But in practice the administration now has no further diplomatic options. If the Haitian commanders do not leave in the near term, Mr. Clinton will have to use military force or risk severely harming American credibility.

In a televised interview Sunday before the vote, the U.S. envoy to the United Nations, Madeleine K. Albright, said the resolution represented "a final call" to the Haitian junta to leave or be removed.

She said the message to General Raoul Cedras, Haiti's armed forces commander, and other top officers was: "You can depart voluntarily and soon, or you can be removed involuntarily and soon. The sun is setting on your ruthless ambition."

Mrs. Albright said the United States was "prepared to organize and lead" an invasion force.

"We seek — and anticipate — that others will join," she said.

"We hope that the current military leaders will depart voluntarily and that the military force will not be opposed," she added. "But this resolution authorizes action whether or not our hopes are realized."

The resolution authorizes the United States to raise a multinational force to "use all necessary means to facilitate the departure from Haiti of the military leadership" and "establish and maintain a secure and stable environment."

U.S. diplomats apparently managed to overcome reluctance from Haiti's exiled president, the Reverend Jean-Bertrand Aristide, as well as the opposition of most countries in Latin America, which are mindful of the long history of armed U.S. intrusions in their region. This uneasiness prompted Brazil's abstention.

Father Aristide backed the measure with his strongest endorsement to date for

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Trade Rift With Japan Jeopardizes Dollar's Gain

By Keith Bradsher
New York Times Service

WASHINGTON — After another collapse in their long-running trade talks, the Clinton administration on Sunday accused Japan of preventing American companies from competing fairly for government contracts there. The legal move could lead to a retaliatory ban later this year on Japanese bids for certain federal contracts here.

While the announcement is largely symbolic in terms of any immediate impact on the countries' bilateral trade, it could drive down the dollar's value in international currency markets when trading resumes on Monday.

Many currency traders believe that if trade talks do not succeed, the United States may try to drive down the value of the dollar in order to make American goods cheaper in the Japanese market and give them a foothold there that negotiations have not produced. Administration officials have denied any such intention and called in recent weeks for a stronger dollar.

The dollar rose above 100 yen last week for the first time in a month after traders swept currency markets that a deal in the government contract dispute might be pending, contrary to the conventional wisdom here and in Tokyo.

In making the accusation Sunday, the administration also showed a willingness to continue confronting Japan despite possible damage to diplomatic relations and despite the ongoing political turmoil there. Japan has had four different prime ministers in a little over a year.

U.S. and Japanese trade officials have cited the lack of strong political leadership as making it more difficult to strike deals on government procurement issues. The prime minister's office has traditionally played the role of forcing greater openness in trade on government ministries with

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U.S. soldiers disembarking Sunday from an air force C-5 Galaxy at Kigali airport, Rwanda, to set up a command-and-control element to run relief operations.

Peaceful Role Is Stressed as U.S. Reopens Kigali Airport

By Steve Vogel
Washington Post Service

KIGALI, Rwanda — As U.S. military forces reopened operations at the Kigali airport, Prime Minister Faustin Twagiramungu joined U.S. officials Sunday in trying to calm concern that the U.S. humanitarian mission would deteriorate into another Somalia.

"We have to assure the Americans that this operation has nothing to do with what

happened in Somalia," Mr. Twagiramungu, who took office two weeks ago following the Rwanda Patriotic Front's defeat of the Hutu government, said during a joint press conference with visiting Defense Secretary William J. Perry.

Mr. Perry and other U.S. officials continued to emphasize that the U.S. mission in Rwanda was strictly humanitarian.

The defense secretary also implied in his comments that the American involvement

could be seen as an effort to beat what might be called the Somalia syndrome, or a warning that such relief operations might deteriorate into the combat that erupted on the streets of Mogadishu and claimed more than two dozen American lives.

"This is a very important mission to the future of where we go as a nation," Mr. Perry said.

"There are two schools of thought in the U.S. Congress, one that perhaps we should

be more isolationist and not involve ourselves in operations of this nature, and those of us who feel as leader of the free world we should be involved," Mr. Perry said.

Only hours before the two men spoke, a U.S. Air Force C-5 Galaxy landed at the Kigali airport early Sunday carrying a command-and-control element to run air operations, along with forklifts and

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Berlusconi Business Plan Fails to Convince Coalition

Reuters

ROME — Cracks resurfaced within Prime Minister Silvio Berlusconi's wobbly coalition Sunday when his two major political partners disagreed over the media tycoon's plan to distance himself from his business empire.

The Northern League, the largest partner in Italy's tripartite government, scorned the idea of setting up a special committee to oversee Mr. Berlusconi's \$7 billion a year Fininvest empire.

"The idea just doesn't stand up," the head of the League, Umberto Bossi, said in television interviews.

Mr. Berlusconi's other main ally, the neofascist-led National Alliance, said Parliament should be left to decide whether Mr. Berlusconi's plan was acceptable.

"As in all other matters, Parliament must decide," the leader of the National Alliance, Gianfranco Fini, said.

Mr. Berlusconi announced the plan on Friday after a week of sharp criticism over the handling of a corruption inquiry that has implicated Fininvest and led to the arrest of his younger brother, Paolo.

Failure to get it approved would be widely seen as a further blow to Mr. Berlusconi's credibility, which has already suffered from a bruising political defeat this month.

It first ran into trouble when President Oscar Luigi Scalfaro said he could probably not serve as one of the institutional figures to appoint the special committee members.

Mr. Scalfaro's reticence on constitutional grounds was an embarrassment for Mr. Berlusconi, who had wanted the president and heads of the two houses of Parliament to name the group.

Mr. Bossi, whose party controls the largest number of seats in Mr. Berlusconi's Freedom Alliance, said he would challenge the plan in Parliament on Tuesday.

In an interview with Il Giornale newspaper published Sunday, Mr. Bossi denied he was trying to torpedo the government and said he was merely wanted a more coherent plan.

"You don't want guarantors, you need a genuine separation between ownership and management," he said.

Mr. Bossi said the Northern League would formally propose on Tuesday that all Mr. Berlusconi's assets be run by a special foundation for five years.

In Milan, Paolo Berlusconi spent the weekend under house arrest after giving himself up to magistrates on Friday. He is accused of bankrolling Fininvest bribes to the city's finance police.



A LESS THAN GRAND PRIX — Flames engulfed the Dutch driver Jos Verstappen and his Benetton-Ford race car, as it was being refueled during Sunday's German Grand Prix. With crashes at the starting line and the first turn having already reduced the field to 15 cars, Gerhard Berger gave Ferrari its first victory in nearly four years. Page 12.

Kiosk

Pledge by Rabin On Jerusalem

TABA, Egypt (APF) — Prime Minister Yitzhak Rabin confirmed on Sunday Israel's commitment to negotiate Jerusalem's future with the Palestine Liberation Organization in accordance with the Israeli-Palestinian Declaration of Principles.

"It will be done, in accordance with the DOP, not later than two years after the implementation of the Gaza-Jericho accord," he said. But he also insisted that "Jerusalem must remain unified under the sovereignty of Israel."

Mr. Rabin's comments came after the PLO objected to Israel's peace declaration with Jordan in Washington last week, which said that Israel gave "high priority to the Jordanian historic role" regarding Muslim shrines in Jerusalem.

Mubarak fails to budge Assad. Page 5

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A Spanish Feminist Leads the Battle Against National Machismo

By Alan Riding
New York Times Service

MADRID — It would never have happened on Franco's watch, but in the Spain of today it was hardly shocking for a new-car advertisement to be illustrated by a photograph of a young woman in a short skirt revealing a provocative glimpse of underwear.

After all, as far back as the late 1970s, the sale of pornographic material on newstands was open proof that the dictatorship was over. And even today, the sexual dalliances of the rich and famous still provide the main fodder for gossip magazines with huge readerships.

But if the revolt against puritanism was long justified as a celebration of freedom, Cristina Alberdi Alonso, the feminist who is now minister of social

affairs, believes it has gone too far. And, at the risk of being accused of censorship, she is calling a halt to excesses.

Asserting that exploitation of the image of women is one more form of repression, she said the suggestive car advertisement was a typical example of "subliminal discriminatory advertising." And after she threatened legal action, the advertisement was withdrawn.

More recently, when a photograph of the belly of a pregnant woman was used to publicize a magazine's imminent reprint, the government's Institute of Women protested that it was demeaning to women. This campaign was also canceled.

Cristina Alberdi, a 48-year-old Socialist and lawyer, was delighted. As a cabinet minister, she wants to make her mark, not only by eliminating titillating or

offensive advertising, but also, more ambitiously, by setting in motion a second women's revolution in Spain.

"There have been other women ministers, but none from the feminist movement," she said. "This is very important because it means there is willingness to give priority to women's issues. In the cabinet, we act collectively, but now I can raise how our decisions affect women."

In truth, much has been achieved since the days of Franco, who died in 1975 after 36 years as Spain's absolute ruler. Once brought up to be wives and mothers, women now routinely study, work, go out at night without men as escorts and take part in politics.

Discrimination on the basis of sex is illegal and, today, women represent more than half the country's

university students and are more present than ever in public life.

"It's remarkable that such a rapid change in the role of women should have been so easily accepted in a country with a deep tradition of machismo," she said. But women have still not achieved true equality, she said, "and that's our objective."

As minister of social affairs, she has identified three areas as priorities — to give women equal opportunity in the workplace, to gain access for women to positions of responsibility in government and society as a whole, and to combat stereotyping by creating new female role models.

At present, two out of three jobs are held by men

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Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 40 L. Fr
Antilles.....11.20 FF	Monaco.....12 Dh
Armenia.....1.20 CFA	Qatar.....11.20 Rials
Belgium.....E.P. 5000	Reunion.....11.20 FF
Brazil.....9.00 FF	Saudi Arabia.....9.00 R.
Canada.....960 CFA	Senegal.....960 CFA
France.....300 Dr.	Spain.....300 PTAS
Germany.....2.40 CFA	Tunisia.....1.000 Din
Greece.....1.120 CFA	Turkey.....T.L. 35.000
Holland.....1 JD	U.A.E.....8.50 Dirh
Ireland.....1 JD	U.S. Mail (Eur.) \$1.10
Italy.....1 JD	
Japan.....1 JD	
Lebanon.....1 JD	

Accept the Peace Plan, Serbia's Leader Tells Bosnia Serbs

By John Pomfret
Washington Post Service

PALE, Bosnia-Herzegovina — President Slobodan Milosevic of Serbia on Sunday demanded that Bosnian Serb forces reverse their rejection of an international peace plan to end Europe's bloodiest conflict since World War II.

In a statement released by the Tanjug news agency and a Belgrade-based daily, the man widely blamed for triggering the war said, "Commitment to peace is in the interest of the entire Serbian nation."

He added that "this means the proposal of the international community must be accepted."

Mr. Milosevic called on the international community to lift its economic sanctions against Yugoslavia and warned Bosnian Serbs that his people were running out of patience supporting them.

It was unclear what motives Mr. Milosevic might have had in making the remarks or what his capacity might be to influence events in Pale, the mountain redoubt of Bosnian Serb forces, 16 kilometers (10 miles) from the center of Sarajevo.

The Bosnian Serb government huddled to meetings throughout the day and no statements were made.

The president's comments were published a day after the United States, three West European allies and Russia agreed to tighten economic sanctions against Yugoslavia but stopped short of stronger measures to persuade Serbian separatists to accept the peace plan. The plan would divide Bosnia roughly equally between a federation of Muslims and Croats and a Serbian-controlled government.

The Serbs, who now control 72 percent of Bosnia, would have to surrender a little less than one-third of what they hold to the Muslim-Croatian federation.

Some Western analysts said Mr. Milosevic's move reflected a rift between the Serbian president and two potential political rivals, the Bosnian Serb leader, Radovan Karadzic, and his popular military commander, General Ratko Mladic.

Others, however, cautioned that Mr. Milosevic could be saying one thing and doing another, and that talk of a poten-

tial collision with Mr. Karadzic and General Mladic could easily mask collusion.

Only if the Serbian president backs up his demands with action, such as shutting off or reducing the substantial logistical support he gives the Bosnian Serb Army, could his position be taken seriously, they said.

At the moment, his position appears designed to appeal to people in Serbia exhausted by the international economic embargo and to the international community, which views the Serbian president as the premier power player in the region.

"A demand for even greater sacrifices on the part of the citizens of federal Yugoslavia and

the entire Serbian people cannot be defended," he said in the statement.

He added that "no one has the right" to reject peace. Over the last 10 days, the Bosnian Serbs have twice rejected the peace plan while the federation of Croats and Muslims accepted it unconditionally.

On Sunday, Alija Izetbegovic, president of the mostly Muslim government, reiterated his support for the plan, although he accused the international community of "dangerous indecisiveness" for putting off a decision to adopt stricter punishments against the Bosnian Serbs.

The Bosnian Serbs snubbed

the peace plan and threatened to cut off communication with the five-nation Contact Group that put together the proposal because they said the plan denies them international recognition as a separate state. In addition, the Serbs have demanded access to the Adriatic sea and other changes.

Mr. Milosevic countered Bosnian Serb complaints, arguing that the plan was "not anti-Serb" and that it did allow for the formation of a separate state, albeit not attached to Yugoslavia.

"It is not entirely just, as far as the Serbian side is concerned," he said. "But without doubt a compromise is necessary."

Mr. Milosevic added that the decision whether to accept the peace plan must be based on the answer to the key question: "What is the greatest national interest at this moment? It is peace."

The West blamed Mr. Milosevic for starting the wars in Bosnia and Croatia. It was his support of Serbian military activity in Bosnia that prompted the United Nations to impose a trade embargo against Yugoslavia, comprising Serbia and Montenegro, in May 1992.

The embargo has been tightened on several occasions in the past but still lacks because the countries surrounding Yugoslavia need it as a trading partner to survive.

WORLD BRIEFS

High Level China-Taiwan Talks Set

TAIPEI (AFP) — Taiwan and China on Sunday agreed to hold their highest level meeting since the end of the civil war in 1949, officials said, as protesters threatened to disrupt the arrival of a senior Chinese delegate here later this week.

Senior officials from the two sides will meet, probably within two weeks, in what will be the first such encounter allowed by the strongly anti-Communist Taiwan authorities. Huang Kun-huei, chairman of Taiwan's cabinet-level Mainland Affairs Council, has agreed to meet Tang Shubei, vice chairman of Beijing's Association for Relations Across the Taiwan Strait. Mr. Tang is also a senior Taiwan affairs official of China's State Council.

The breakthrough was made during a fifth round of unofficial talks between Taiwan and Chinese representatives. These talks have seen bitter protests by demonstrators who consider the contacts as a new step to reunification with China. Taiwan has banned direct, official contact with Beijing since the defeat of the nationalist government in 1949.

Diana Therapy Files Reported Stolen

LONDON (Reuters) — Intimate files about Princess Diana's physical and mental health during her failed marriage to Prince Charles have been stolen from the office of her private therapist, British newspapers reported on Sunday.

The confidential records, which could document Diana's alleged suicidal tendencies and her battle with the eating disorder bulimia, would cause deep embarrassment if they were made public, said the reports in two tabloids.

The loss of the sensitive computer files would mark another serious breach of privacy for the royal family, whose mystique has been torn to shreds by telephone tapping and long-lens photo snooping. Police confirmed they were investigating a burglary at consulting rooms in Harley Street where the royal therapist, Roderick Lane, is based.

10 Neo-Nazis Questioned in Germany

ERFURT, Germany (Reuters) — Ten neo-Nazis were released Sunday after being questioned about suspicions that they had given the banned Hitler salute at a secretive summer camp, a police spokesman said.

He said the suspects, members of a rightist extremist group, were released because a prosecutor had decided not to issue warrants. The investigation continued, however, after the police found ammunition in the home of one of the suspects.

A Thuringia state official said Saturday that the group had been carrying out "military exercises" at the camp in a forest near Weimar and that villagers nearby had alerted the authorities.

Jailed Nuclear Smuggler Offers Deal

HAMBURG (AP) — Adolf Jikle, a 52-year-old businessman jailed for nuclear smuggling, has offered to turn over about 60 grams (two ounces) of weapons-grade plutonium if prosecutors treat him leniently, a news magazine reported Sunday. Mr. Jikle told the chancellery's office that the plutonium, not enough to make a bomb but enough to poison thousands of people, was hidden in Switzerland. Der Spiegel magazine reported.

During a search of Mr. Jikle's home on May 10, the police discovered six grams — about a fifth of an ounce — of exceptionally pure plutonium-239 that was traced to Russia.

The newspaper's Web site Sonntag reported that a Bulgarian who represents a German industrial firm in Sofia had obtained the plutonium for Mr. Jikle and offered to get more for a Web reporter posing as a potential client on the telephone.

Independent Joins British Price War

LONDON (Reuters) — A vicious newspaper price war heated up in Britain on Sunday when The Independent, losing a circulation battle, slashed its cover price. The publishers announced a temporary 20 pence (31 cents) cut to 30 pence starting Monday in an attempt to keep pace with cost-cutting rivals. The paper did not say how long the price cut would last.

The Independent is being squeezed out of the so-called quality market in a battle between Rupert Murdoch, who owns The Times, and Conrad Black, owner of The Daily Telegraph.

The Times kicked off the war by gutting its cover price to 30 pence. When The Daily Telegraph matched the price, The Times cut again to 20 pence.

TRAVEL UPDATE

Flights Disrupted in Southern France

PARIS (AP) — Holiday travelers waited hours for flights over southern France on Sunday as air traffic controllers in the region refused to work overtime in a lingering job protest.

Controllers in Aix-en-Provence, who went on strike last weekend to demand more staff and retirement benefits, stuck to their regular 32-hour weeks despite the beginning of the August vacation period. Delays of up to 2 1/2 hours were reported for flights from airports in Nice, Marseille and Corsica.

The Aix-en-Provence center is a control point for hundreds of planes a day flying between northern Europe and holiday destinations in Spain, Portugal, Italy and Tunisia.

The Melia Las Americas luxury hotel has opened at the Cuban beach resort of Varadero. (Reuters)

Vietnam Railways plans to upgrade services in order to attract more foreign tourists and is negotiating with Orient Express PLC to operate a luxury train between Hanoi and Ho Chi Minh City, the official Vietnam Investment Review reported. (AFP)

A German tourist was shot and killed at a campsite at Calatogio, Corsica, and at least seven German and Austrian tourists were robbed overnight in two separate incidents at other campsites on the island, the police said Sunday. (AFP)

Pubs in England and Wales may soon be allowed to stay open Sunday afternoon, The Sunday Telegraph reported. The newspaper said the Home Office was preparing a bill, probably for the next parliamentary session, to eliminate the requirement for closing from 3 P.M. to 7 P.M. on Sunday. (AFP)

Police helicopters patrolled over many highways in Italy during the weekend after a rash of car stonings around the country. Dozens of such incidents occurred in the last week, including at least three in northern Italy on Saturday. Several motorists have suffered injuries from broken glass. (AFP)

Thousands of passengers at London's Gatwick airport experienced delays Sunday after an airliner burst a tire on takeoff, blocking the runway. About 40 inbound flights were diverted to other London and regional airports. (Reuters)

Authorities in Tehran urged people to stay at home and indoors Sunday as the temperature rose to 44 degrees centigrade (111 degrees Fahrenheit) in a heat wave that was expected to last for four days. (AFP)

Embargo on Serbia Frays in Macedonia

UN Troops Watch Lively Trade

By Roger Cohen
New York Times Service

TABANOVCE, Macedonia — "I understand what's going on," said Sergeant Scott Culver, as he gazed down from the small U.S. Army camp here at a long line of trucks waiting to cross the border into Serbia. "You don't need a Ph.D. for that."

What was going on, as it does every day, was that the United Nations trade embargo on Serbia was being violated. Dozens of trucks loaded with merchandise were heading north into Serbia, meticulously observed by U.S. soldiers of the 24 Battalion of the 15th Infantry Division.

Over the past 24 hours, Sergeant Culver and Staff Sergeant Charles Inderrieden had logged six oil trucks, 34 regular trucks and two double trailer-trucks heading north, and 71 cargo cars on a train going into Serbia from Macedonia. They had also observed and reported 68 cargo cars going south from Serbia into Macedonia, and a few donkey carts in both directions.

"It's not my job to wonder why," Sergeant Inderrieden said. "If I'm told to count it, I count it."

The bizarre scene at this shabby border crossing underscores the complexity of U.S. policy toward the former Yugoslavia. Committed to the stability of Macedonia — the most southern of the former Yugoslav republics — the administration has dispatched a UN force.

But that very stability depends in part on turning a blind eye to Macedonia's growing trade with Serbia, one of the few economic outlets for this landlocked country whose southern border has been sealed to trade by the Greek govern-

ment that claims an exclusive prerogative over the name "Macedonia."

"If we are supporting the stability of Macedonia, can we really threaten them with sanctions for flouting the trade embargo on Serbia?" asked a Western diplomat in Skopje, the Macedonian capital.

The diplomat noted that 80 percent of Macedonia's trade used to be with other lands of the former Yugoslavia.

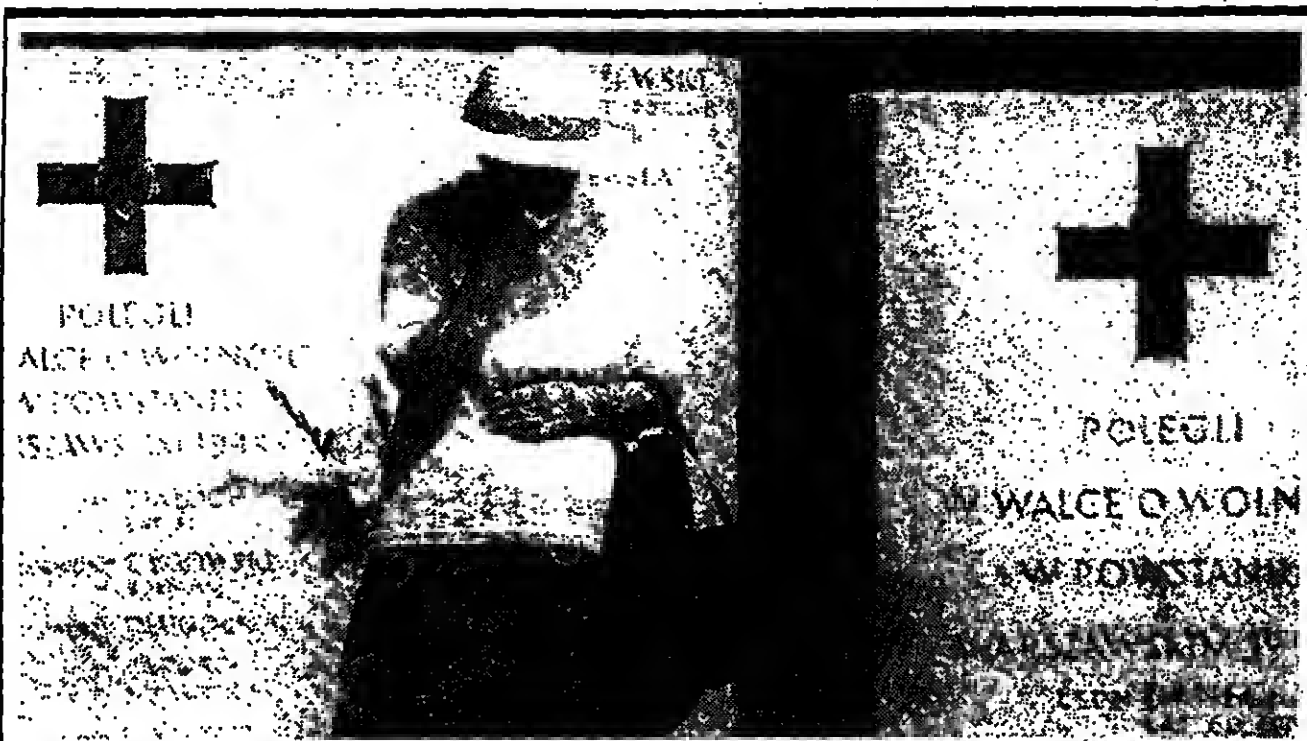
Already one-third of the Macedonian work force is unemployed, and salaries have not been paid for close to two months in several state-owned enterprises.

But if the economic difficulties of Macedonia are real, so too is the damage that its trade with Serbia does to the effectiveness of the UN sanctions. The Serbian economy, collapsing beneath hyperinflation late last year, has stabilized as goods have begun to pour in.

Indeed, at a time when the United Nations is threatening even stricter sanctions if the Bosnian Serbs continue to reject an international peace plan, the scene at the Macedonia border makes a mockery of such threats.

The Bosnian Serbs are well aware of the gap between announced international policy and the reality of the situation along the borders, a gap that has yawned since the beginning of the Bosnian war in 1992.

Moreover, it is clear that by adopting a moderate course with Greece, the United States is acquiescing in a Greek border policy that virtually obliges Macedonia to trade with Serbia. Even though it has recognized Macedonia, the Clinton administration has declined to send an ambassador to Skopje.



COMMEMORATION — A woman wiping away tears Sunday as she visits Warsaw's Cemetery of the Uprising, where most of those killed in the revolt against German occupation are buried. The 50th anniversary is Monday.

Q & A: The Shape of U.S.-Asia Relations

Winston Lord, the U.S. assistant secretary of state for East Asian and Pacific affairs, is in Indonesia after visiting Malaysia and attending talks in Bangkok last week with ASEAN, the Association of South East Asian Nations, and other Asia-Pacific countries. He discussed American relations with Asia with Michael Richardson of the International Herald Tribune.

Q. You expressed concern in a letter to President Bill Clinton and Secretary of State Warren M. Christopher earlier this year about growing tensions in America's relations with East Asia. What kind of shape are they in now?

A. I think in very good shape. In my memorandum to the secretary, which unfortunately leaked, I pointed out many assets and positive trends in our relations. But I felt it was also my responsibility to explore where we could do better.

Since the writing of that memo in April, we have had several positive developments. We have renewed most-favored-nation trading status for China. We will be pursuing human rights, but with other instruments, as we engage comprehensively on a range of issues with China.

We have moved ahead in our relations with Vietnam, including more progress on the missing-in-action question and agreement on setting up liaison offices. We are about to resume the third round of talks with North Korea on the nuclear question.

The president met with Malaysian Prime Minister Mahathir bin Mohamad, and we are engaging on a variety of eco-

nomie issues with Malaysia in a quiet fashion.

These specific developments in recent months, on top of the general emphasis that the Clinton administration has put on Asia, gives us considerable momentum as we look toward the very important summit meeting of APEC, the Asia Pacific Economic Cooperation forum, in November.

Q. Nonetheless, ASEAN countries sent a diplomatic note to Washington expressing regret that Mr. Christopher had decided not to attend the recent annual meeting of ASEAN and other Asia-Pacific nations. Isn't that a sign of continuing lack of top-level interest in the Clinton administration in developing close and constructive ties with East Asia?

A. Absolutely not. We consider this region as important as any other in the world and, looking to the next century, probably more important than any other in the world for American interests.

I talked to the secretary personally about this conflict in his schedule. I can report that he was agonized in having to miss these important meetings in Bangkok, both on a personal and on a professional level.

Q. The United States has identified China and Indonesia as two of the big emerging markets of the future that it wants to tap. Yet the Clinton administration has constantly berated them and other developing economies in East Asia for human rights abuses and democratic failings. Isn't that a contradiction?

A. I don't agree with the use of the

phrase "constantly berating." With both these important countries, we have many interests which we pursue, not only human rights but security, economic and global agenda issues.

We believe that over time, the promotion of human rights and economic interests reinforce each other. In an age of information and technology, you need open politics as well as open economies to develop a modern economy. You cannot attract investment without the rule of law. You cannot root out corruption without a free press.

Of course, there are occasionally some tactical trade-offs in terms of emphasis and priorities among various goals. At times, we will have to adjust our policy depending on the country and the situation. However, our overall strategic approach will remain constant.

Q. The United States has threatened to withdraw Indonesia's preferential tariff access to the American market in August unless it is satisfied that there have been substantial improvements in Indonesia's treatment of its workers and trade unions. Doesn't this risk unsettling the country that will host the next APEC meeting in November?

A. We are working quietly with our Indonesian friends on this issue, both in the spirit of a very constructive bilateral relationship and recognizing that it will be host to APEC.

We are not seeking to impose rigid or dramatic new practices. But we are looking for progress in the right direction.

North Korean Official's Absence Renews Doubts on His Status

Compiled by Our Staff From Dispatches

SEOUL — Prime Minister Kang Song San of North Korea did not attend the funeral of a deputy prime minister, the state radio reported Sunday, reviving doubts over his position after the recent defection of a man claiming to be his son-in-law.

Mr. Kang's name was not on the list of North Korean officials present Saturday for the state funeral. The list was carried in a Pyongyang Radio report monitored Sunday in Seoul.

On Friday, Mr. Kang appeared in public to pay respects at the bier of Kang Hui Won, who died after a long illness at

the age of 73, according to North Korean news organizations. He was also named to head the funeral committee.

This had earlier led observers in the South to believe that the prime minister had retained his powers.

Pyongyang Radio did not give reasons for his absence, and officials at Naewoo Press, a

Seoul monitoring agency, said they were not sure whether it meant Mr. Kang had fallen from power. Small changes such as funeral arrangements for important officials often provide glimpses into power shifts in the isolated state.

Kang Myong Do, 35, who defected to the South in May through a third country, said at a news conference Wednesday that he was the prime minister's son-in-law. The North has denied the claim.

He said North Korea had already built five nuclear bombs and was planning to build five more. He was the first reported member of the North's inner circle to report the existence of nuclear weapons.

South Korean officials seem convinced of his identity, but

they and Western officials have expressed doubt about the reliability of his information.

Also Sunday, the North appeared to step up its war of words, accusing President Kim Young Sam of South Korea of being the worst dictator his country had ever known.

The attack, criticizing Mr. Kim for not having allowed South Koreans to grieve over the death in July of President Kim Il Sung of North Korea, came in a statement from the North's Committee for the Peaceful Reunification of the Fatherland.

"Inter-Korean relations, which had been heading for reconciliation, have begun turning back to the original point of confrontation due to his provocations," said the committee,

whose statement was carried on North Korea's official press agency, KCNA.

"In South Korea there has been no such dictator as Kim Young Sam, whose regime has brought the North-South relations to extreme confrontation," the committee said.

The committee said that instead of allowing the Korean people to grieve over the death of Mr. Kim, he had "perpetrated military provocations" against the North in a "never-to-be condoned treachery."

The statement was released in Geneva less than a week before the planned resumption there of negotiations between North Korea and the United States on Pyongyang's suspected nuclear weapons program. (AP, Reuters)

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Belgium 001-800-333-1111	Finland 001-800-674-7000	Israel 001-800-444-1234 001-800-674-7000	Cuba 001-800-444-1234 001-800-674-7000	Togo 001-800-444-1234 001-800-674-7000
Bermuda 001-800-333-1111	France 001-800-674-7000	Italy 001-800-444-1234 001-800-674-7000	Dominican Republic 001-800-444-1234 001-800-674-7000	Trinidad & Tobago 001-800-444-1234 001-800-674-7000
Bolivia 001-800-333-1111	Gambia 001-800-674-7000	Jamaica 001-800-444-1234 001-800-674-7000	Guatemala 001-800-444-1234 001-800-674-7000	United Kingdom 001-800-444-1234 001-800-674-7000
Brazil 001-800-333-1111	Germany 001-800-674-7000	Kenya 001-800-444-1234 001-800-674-7000	Honduras 001-800-444-1234 001-800-674-7000	USA 001-800-444-1234 001-800-674-7000
Canada 001-800-333-1111	Ghana 001-800-674-7000	Lesotho 001-800-444-1234 001-800-674-7000	India 001-800-444-1234 001-800-674-7000	Uruguay 001-800-444-1234 001-800-674-7000
Cayman Islands 001-800-333-1111	Greece 001-800-674-7000	Liechtenstein 001-800-444-1234 001-800-674-7000	Indonesia 001-800-444-1234 001-800-674-7000	Venezuela 001-800-444-1234 001-800-674-7000
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Simpson's Legal Bills? Net Worth's the Limit

By Seth Mydans
New York Times Service

LOS ANGELES — How much will O. J. Simpson have to pay for his ever-expanding defense team of lawyers, investigators and experts? Many outside lawyers answer with a question of their own: How much money does he have?

"A defense like this will cost your net worth — whatever it is, they'll take it," said John Shepard Wiley, a professor of law at the University of California at Los Angeles. "I'm just staggered at the number of lawyers and scientists and investigators that are being daily added to the team."

One high-end guess came from Robert A. Pugsley, a professor of criminal law at Southwestern University Law School in Los Angeles, who said: "When you add in everything — the investigators, all the lawyers, the pathologists, the experts, the transportation and travel, the whole kit and caboodle — I think a first trial

lasting through the end of this calendar year could come to about \$5 million."

As the Simpson case unfolds on television, it is providing a nationwide seminar on the workings of a murder trial. But experts caution that most felony defendants are poor and that the trial of a typical defendant, with far less to spend, would look very different.

In Mr. Simpson's case, 10 lawyers have so far appeared publicly or signed legal briefs for him. But most people accused of murder could not afford even one of Mr. Simpson's lawyers. In general, such defendants are represented by public defenders or court-appointed lawyers, who put in an average of only 500 to 750 hours on a case, said Robert Spangenberg, who heads the Spangenberg Group, a private criminal-justice research group.

"The average hourly fee for court-appointed lawyers around the country in death-penalty cases is \$50

an hour, and there are severe restrictions in some states like Alabama, where the maximum fee is set by statute at \$1,000," he said.

At the time of Mr. Simpson's divorce in 1992, he was estimated in court papers to be worth \$10.8 million and to be earning \$730,000 to \$1 million a year in endorsements and broadcasting fees. His home in the Brentwood section of Los Angeles, for example, is estimated to be worth \$5 million.

Mr. Simpson has placed many of his assets, including the Brentwood home and several local hotels and restaurants, in four holding companies. As recently as June 29, he consolidated many of his assets in one of these companies, Pigskins Inc., apparently to protect them from any civil suits against him.

It is not uncommon for lawyers to be paid in property — a yacht or a private airplane — and some Los Angeles lawyers say Mr. Simpson's house, or his expensive cars, could be part of a fee arrangement.

Abortion Confrontation: Preacher Versus Physician

By Sam Howe Verhovek
New York Times Service

PENSACOLA, Florida — Paul Jennings Hill preached, but until Friday, the police say, did not practice. One of the two persons he is accused of killing, Dr. John Bayard Britton, practiced but did not preach.

These two very different men came together outside the Pensacola Ladies Center where, the police say, Mr. Hill fired at least three shots from a 12-gauge shotgun just before Dr. Britton was to go inside and perform his regular rounds at the abortion clinic.

Mr. Hill was ordered held without bail in connection with the killing of Dr. Britton and a volunteer escort, James Herman Barrett, and the wounding of Mr. Barrett's wife, a nurse.

For the former Presbyterian minister, the shootings were chillingly consistent with a religious theory he had been expounding, loudly and publicly, for months, to anyone who would listen.

"If we can use force to defend our children, why shouldn't we do so for our unborn children?" Mr. Hill, 40, asked in March when he appeared on a television talk show. He repeatedly said killing an abortionist would be homicide, but biblically justified homicide.

[The director of the Pensacola clinic asked the FBI to arrest Mr. Hill four weeks ago, but federal attorneys declined to prosecute, Reuters reported Sunday, quoting the FBI.]

[George Wisnowsky, a spokesman for the agency in Jacksonville, Florida, confirmed a published report that the director of the Ladies Center had asked the agency to arrest Mr. Hill under a new federal act intended to protect abortion clinics. The director, Linda Taggart, told the FBI



Paul Hill, accused of the slayings of a doctor and an escort at an abortion clinic, being arraigned in Pensacola, Florida.

that Mr. Hill had been screaming through the clinic windows.

[Mr. Wisnowsky said the results of an FBI investigation were given to the U.S. Attorney's office, which "did not authorize the arrest or prosecution of Mr. Hill for that situation."]

While Mr. Hill insisted that it was not God's will that he himself take such an action, he kept preaching the message for so long that friends said it would not be surprising if he had acted on it.

"He simply carried out his theology," said Roy McMillan, a friend of Mr. Hill's and the

executive director of the Christian Action Group in Jackson, Mississippi. "He said, this is not wrong to do, so consequently, when he did it, he said, this is right to do it."

Dr. Britton's role in the national struggle over abortion rights was more complex. The 69-year-old doctor would tell anyone who asked him that he personally thought abortion was wrong, and his demeanor as he performed the operation was ambivalent.

He told one patient that the fetus he was about to remove was "about as big as a softball,

a nice, round softball" and he almost tumbled over for looking away so "you won't know how dreadful it is," according to Tom Junod, a reporter who wrote a profile of Dr. Britton for Q magazine.

The doctor also turned several women away, telling them they wanted an abortion and to come back the following week if the answer was really yes.

Dr. Britton spent much of his earlier practice delivering babies. He increasingly turned to providing abortion services after he had been disciplined

twice by state medical authorities.

Despite his own feelings about abortion, he had nothing but wrath for anti-abortion protesters, and he believed that women should be allowed to exercise their legal right to it.

Dr. Britton also had the courage to ignore death threats and become the only doctor willing to come to Pensacola and perform abortions after the physician who previously did so, Dr. David Gunn, was himself shot and killed outside another clinic here 15 months ago.

Haitians Scramble to Get on the Last Flight Out

By Larry Rohter
New York Times Service

PORT-AU-PRINCE, Haiti — Haiti's last commercial air link to the rest of the world has been severed as the final scheduled flight, an Air France jet, departed just ahead of a Monday deadline intended to increase the pressure against the country's military-backed government.

Although the suspension of commercial flights does not affect the vast majority of Haiti's 7 million people, most of whom

are too poor to afford foreign travel, it promises to have a psychological impact, especially on the country's commercial and governing class.

"We are sealed in, the whole country," Raymond Lafontant, executive director of the Association of Haitian Industries, said. "I have a sense I am in jail."

Air France had refused to join American Airlines and other carriers that suspended their flights to Port-au-Prince on June 25 as part of the economic

sanctions against Haiti. But when the Haitian military expelled a combined United Nations and Organization of American States human rights monitoring mission on July 11, France retaliated by announcing that service would end by Aug. 1.

Aware that the flight late Saturday to French Guiana was their last chance to leave or to ship cargo abroad, many Haitians arrived at the airport early. The police allowed only passengers with confirmed

reservations or boarding passes to enter the terminal, turning away more than a score of people who arrived with valid tickets only to be told their seats had been given to others.

Among them was Yolande Brumache, who was planning to fly to Cayenne, French Guiana, to join her husband and year-old son. "I don't know what to do now," Mrs. Brumache, 31, said, clearly stunned after being turned away at the terminal entrance by an Air France ticket agent.

As the deadline for the suspension of service approached, plane reservations became a coveted black market item, trading for more than 10 times their face value.

On Wednesday's flight, U.S. officials in Haiti said, Air France bumped about 100 Haitian political refugees who have been granted asylum in the United States to give seats to other customers, many of whom appeared to be French nationals.

U.S. Embassy officials said they hoped to obtain permission from the military government for charter flights that would take those refugees to the United States.

Also left behind are a large group of foreigners. Diplomats here estimate that about 3,000 Americans, 2,000 Canadians and 1,500 Britons are in the country, most of them residents who remain willingly.

BOOKS

BERLIN RISING:

Biography of a City

By Anthony Read and David Fisher. Illustrated. 341 pages. \$25. W.W. Norton & Co.

Reviewed by Christopher Lehmann-Haupt

To walk the grander streets of Berlin is to wonder why instead of being celebrated as a city of light, like Paris, Berlin is more often thought of as the city of black humor, filled with inhabitants who enjoy few things more than cracking bitter jokes about the place where they live.

After all, even Mark Twain was impressed, remarking after a visit in the 1890s that "all of Berlin is stately and substantial, and it is not merely in parts but uniformly beautiful."

Yet after reading "Berlin Rising: Biography of a City," by Anthony Read and David Fisher — an English television writing team whose previous books include "Kristallnacht," "The Fatal Embrace" and "The Fall of Berlin" — you understand why the spirit of Berlin was more accurately caught by the Hohenzollern emperor Wilhelm II when he observed in 1902: "There is nothing in Berlin that can captivate the foreigner, except a few museums, castles and soldiers. After six days, red book in hand, he has seen everything, and he departs relieved, feeling that he has done his duty."

The authors by necessity de-

vote a tedious amount of space to the museums, castles and soldiers of Berlin. After all, so much of Berlin history has been about soldiers arriving and departing, castles rising and falling and museums being filled up and emptied.

Except, of course, in the case of Hitler's plundering of the Winged Victory of Samothrace from the Louvre; he preferred to keep it in his office in the chancellery, as personal retaliation for Napoleon's removal of the sculpture from atop the Brandenburg Gate in 1806.

Read and Fisher also introduce us to a variety of historical characters who shared the Kaiser's low opinion of Berlin.

Most notable among these are the Iron Chancellor, Otto von Bismarck, who hated the city for its liberal and left-wing inhabitants; Hitler's propaganda minister, Josef Goebbels, who thought of Berliners as "mongrels set down in the bleak, sandy Prussian plain," as the authors paraphrase him, "only too ready to bite the hand of anyone who tried to stroke them"; Hitler himself, who considered Berlin "a melting pot of everything that is evil," as a Nazi Party newspaper summed up his outlook; and the first postwar federal chancellor, Konrad Adenauer, who could barely bring himself to smile when he accompanied President John F. Kennedy to Berlin in 1963.

Of course, much of the foregoing denigration speaks well of Berlin, and you certainly

have to admire the city's resilience, considering all it has been through since it was first settled in the 13th century.

Some of its most extreme experiences are summed up in "Berlin Rising" by what Nov. 9 has come to memorialize: the day the last of the Kaisers, Wilhelm II, abdicated in 1918; the day Hitler first came to national prominence with his failed push in Munich in 1923; the day the Holocaust was officially begun with Kristallnacht in 1938; and the day the Cold War ended in Berlin, with the start of the great exodus of East Berliners to the West in 1989.

That the city now seems to face such a glowing future makes you wonder if it isn't a little like the son of Friedrich Wilhelm I, king of Prussia from 1740 to 1796, who suffered from the insanity associated with porphyria, a hereditary disease.

Determined that his eldest son be raised to military manliness, the soldier-king, as Fried-

rich Wilhelm was known, woke the boy every morning with cannon fire so he would grow up accustomed to battle.

He forbade him to learn Latin because he considered southerners too soft. He forced him to kiss his father's boots in public and dragged him around by his hair. He arranged for him to have sex as a 16-year-old, thereby causing him to contract a venereal disease that made him impotent as a result of surgery. And when he suspected his son of involvement in a homosexual affair, he put him in jail and had his lover beheaded in front of the window of his cell. And yet this unfortunate young man grew up to be Frederick the Great, a man of rare talents who ruled from 1740 to 1786 and transformed Prussia into a great power. Maybe youthful experience doesn't matter after all.

Christopher Lehmann-Haupt is on the staff of The New York Times.

WHAT THEY'RE READING

• Vajra Naravane, European correspondent for the Times of India is reading "The Ascent of Man" by Jacob Bronowski. "He retraces the essential milestones in our civilization — exhilarating."

She is also reading "A Suitable Boy" by Vikram Seth. "I can understand why the book's English critics got so carried away with 'exotic trivia.'"

(Lisa Gersten, LHT)



POLITICAL NOTES

Clinton Tracks Truman Ghost

INDEPENDENCE, Missouri — Trying to draw some magic from the lodestar of political scrappers, President Bill Clinton went to Harry Truman's hometown to start a home-stretch push for a health care bill that provides universal coverage.

Wrapping himself in the reputation of the first president to propose legislation to guarantee universal health insurance, Mr. Clinton likened the opponents of such legislation to today's President Truman's opponents. He said they relied in both eras on appeals to division and fear.

"All this screaming and yelling, what's really hurting America today is that we're shouting too much and listening too little, and speaking in respectful tones too little," Mr. Clinton told a crowd of several thousand in the courthouse square.

In the rally on Saturday, Mr. Clinton tried to cast the health care fight as a battle against nay-sayers against the president. Speaking in front of a statue of the former president, whose feistiness has worn well with history, Mr. Clinton jabbed his finger into the podium and offered an impassioned defense of his overall record as president.

He said that just as Truman had had to guide Americans in the transition period after World War II, he is trying to guide Americans into the 21st century. Just as Truman faced attacks, he said, he faces attacks. (NYT)

Cisneros: Ex-Mistress Sues

WASHINGTON — A Texas woman has sued Housing Secretary Henry G. Cisneros for \$256,000, alleging he ceased making promised monthly payments to compensate her for "anguish, emotional distress" and loss of livelihood following the end of their three-year love affair.

In the suit filed in state court in Lubbock, Texas, Linda Medlar said Mr. Cisneros in

1990 had "offered a settlement agreement" of \$4,000 per month to her, until she was able to get a job, or until her daughter, now 16, finished college.

In Lubbock, Ms. Medlar's lawyer, Floyd Holder, described the agreement as "an oral contract," breached when Mr. Cisneros stopped making payments in January 1994.

Mr. Cisneros, whose affair with Ms. Medlar began in 1987 while he was mayor of San Antonio, said in a telephone interview that when she "requested assistance over the years, I tried to be helpful." He said, "She requested \$4,000 per month, but I couldn't do that consistently." He said he did not consider he had ever had a "legal obligation" to assist her. (WFP)

Economy Up, President Down

NEW YORK — President Clinton's approval rating has again fallen, continuing a six-month slide, according to a survey released Sunday.

The poll, by Louis Harris and Associates, found that only 40 percent of adults gave the president an "excellent" or "pretty good" approval rating, while 59 percent thought his job performance was "fair" or "poor."

The survey was conducted between July 25 and July 28 of a nationwide sample of 1,249 adults. It has a statistical margin of error of plus or minus 3 percentage points. (Reuters)

Quote/Unquote

Representative Maxine Waters, a California Democrat, and Representative Peter T. King, Republican of New York, during the House Banking Committee's hearings on the Whitewater affair, after Mr. King was accused of badgering a witness: Mr. King: "You had your chance. Why don't you just sit there." Ms. Waters: "You are out of order." Mr. King: "You are always out of order." Ms. Waters: "You are out of order. Shut up." (NYT)

Treasury Aide in Eye of Storm

Whitewater Inquiry Keeps Pressure on Altman

By Stephen Labaton
New York Times Service

WASHINGTON — With no Democrat willing to come to his defense, Deputy Treasury Secretary Roger C. Altman has come under blistering attack by Republicans who called on him to resign for mishandling the Whitewater investigation and misleading Congress.

In opening statements by Republicans and Democrats at Senate Banking Committee hearings on the Whitewater affair, it was clear that the larger focus of the hearings would be on Mr. Altman.

Of particular concern is Mr. Altman's role as acting head of the Resolution Trust Corp., the regulatory agency managing the savings and loan bailout.

Under Republican questioning before the Senate Banking Committee on Feb. 24, Mr. Altman first disclosed that the White House and Treasury Department had discussed an investigation into Madison Guaranty Savings & Loan, a failed Arkansas savings and loan owned by James B. McDougal, the Clintons' partner in the Whitewater Development Co.

But he said there had been only one discussion, on Feb. 2, and that it had involved a purely procedural matter, which he also discussed with members of Congress.

He has since amended his testimony several times to acknowledge other discussions. But other Treasury and White House officials have provided accounts of the meetings that conflict with Mr. Altman's versions, and the Republicans seized upon the discrepancies to pummel him Friday.

From Senator Phil Gramm, Republican of Texas: "We now know that when Roger Altman testified before this committee, that he did not tell us the truth concerning the number of contacts between the RTC and the White House. We now know that Roger Altman did not tell

us the truth concerning the nature of those contacts."

From Senator Connie Mack, Republican of Florida: "Notwithstanding his insistence to this committee that he did not want to get 'within 100,000 miles of the Madison case,' he has become the eye of the storm, a storm so furious that it stripped away the independence of the RTC when it came to a case involving the president of the United States."

None of the members of the committee voiced support for Mr. Altman.

Senate Republicans tried to embarrass Mr. Altman further by disclosing that the White House deputy chief of staff, Harold M. Ickes, who attended the meeting on Feb. 2, told congressional investigators that Mr. Altman not only discussed a procedural matter, as he had testified, but also delved into the substance of the case.

The Republicans said Mr. Ickes told congressional investigators that Mr. Altman had said at the meeting that it was "unlikely that the investigation could be completed and a recommendation made by the general counsel prior to the expiration of the statute of limitations."

In a statement late Friday, Mr. Altman said the remarks attributed to Mr. Ickes were incorrect.

■ Bentsen Cites Report

Treasury Secretary Lloyd Bentsen said Sunday that an investigation by the Office of Government Ethics supports claims that Treasury officials did not commit any violations in the Whitewater affair, Reuters reported.

Mr. Bentsen called a briefing to make public the 27-page report that he requested from the nonpartisan agency.

Away From Politics

• The largest U.S. makers of video games have introduced a rating system to warn consumers of graphic violence or explicit sexual content in their products. Industry officials are hoping to head off federal imposition of such warnings.

• The cruise ship *Horizon*, which was the source of an outbreak of Legionnaires' disease, has been put back in service setting off on a cruise from New York to Bermuda with a full load of passengers, company officials said. So far, 11 people who took cruises on the ship in May and June have contracted confirmed cases of the disease. One has died.

• As wildfires burned to the west, south and east of Leavenworth, Washington, 1,500 residents were asked by the authorities to evacuate. Six thousand people in neighboring towns were told to be ready to get out. Fires, started mostly by lightning, were also burning out of control in Oregon, Utah, Montana and other Western states.

• Prosecutors in Georgia have dropped charges against a woman who had been charged with child abuse, a felony, for slapping her unruly 9-year-old son in a supermarket.

• A medical clinic in Los Angeles has been ordered to pay \$1.8 million to two patients who were treated for AIDS with a homemade drug called Viroxan, which is not medically approved.

• A car left parked with the engine running struck a group of children in Los Angeles after a 2-year-old passenger put the vehicle in gear. Five youngsters were injured, three critically.

• Two out of five judges in the U.S. juvenile justice system think there are circumstances in which young offenders should receive the death penalty, a study to be published Monday in the National Law Journal shows. Reuters, A.P., LAT

BRIDGE

By Alan Truscott

SCAR Brotman and Tim Horan sat East and West on the diamond deal. It was played in Manhattan in the first round of the Reisinger Knock-out Teams.

North-South reached three no-trump after a one-club opening by East. A club lead would have settled the issue, but West led a spade, assuming that the opponents were well-prepared for a club. South considered winning with the spade ace and working on diamonds. That would have produced nine tricks if East had begun with K-Q-x of diamonds, for South could then score three tricks in that suit.

Instead, South decided to try for two spade tricks and two diamond tricks, together with the obvious five winners in the other suits. He played low from dummy, allowing East to win with the king and shift to clubs. South held up his ace for one round, crossed to the heart queen, and led a diamond, hoping to lose a trick to West. But East's seven was fatal: there was no way that South could score an extra diamond trick

without allowing East to gain the lead, and the contract failed by a trick.

In the replay, the contract was two hearts bid and made by North-South. But consider the difference that East's diamond seven made. If he had held K-9-4, South's plan would have succeeded and his team would have won by 20 total points. As it was, Brotman's team won by 700, and he did not need to complain bitterly about his partner's failure to lead a club.

NORTH
♠ A 10 5
♥ K Q 6
♦ 8 5 3 2
♣ 9 7 3

EAST
♠ K J
♥ 8 8 4
♦ 9 7
♣ K Q J 6 2

WEST (D)
♠ 8 7 6 4 2
♥ 10 7 3
♦ 10 4
♣ A 4

SOUTH
♠ Q 8 3
♥ A J 3 2
♦ A 6
♣ A 10 5

North and South were vulnerable
The bidding:
West North East South
Pass Pass 1♣ 1NT
Pass 3NT Pass Pass
Pass

West led the spade eight.

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Herald Tribune

For Rwanda GIs, Parallels With Somalia

By Keith B. Richburg
Washington Post Staff Writer

GOMA, Zaire — After the loss of more than 30 American lives during the U.S. military intervention in Somalia, it seemed unlikely that U.S. combat troops would be back in Africa just four months later.

But now, U.S. troops are entering Rwanda. Hovering over the evolving U.S. military role here is the specter of another Somalia and the possibility that U.S. troops could again get sucked into an African quagmire. Juxtaposed are images of a million displaced Rwandans, and the knowledge that the U.S. military has the logistical capability to alleviate some of the pain.

"Whenever you put your troops anywhere, they can be shot at," said Representative Mel Reynolds, Democrat of Illinois here Saturday. "But the alternative is to do nothing."

The surface parallels are striking, which may account for the Clinton administration's cautious approach.

As in Somalia, U.S. troops are entering a war-torn African capital with no infrastructure, with a view to creating a base of support for a faltering relief operation. As in Somalia, the U.S. troops will be operating in support of aid efforts. And as in Somalia, it is uncertain how long the troops will stay.

In Somalia, the goal was to secure Mogadishu's international airport and seaport, to allow relief aid to flow to starving Somalis in the outlying towns.

In Rwanda, the plan is for U.S. soldiers to secure the international airport at Kigali, the capital, Kigali, as a staging area for relief goods and to help end Rwandan bloodshed.

The goal in Somalia was said to be strictly humanitarian, with U.S. forces not wanting to intervene in clan feuds. The Rwandan operation is labeled similarly.

In Mogadishu, U.S. Marines were greeted as heroes in December 1992 by militia, warlords and a grateful populace.

Within weeks, however, the Americans became the targets of Somali snipers, and by February, Marine commanders were complaining that the troops had staying too long and were taking up the functions of a police force.

The relief operation's commander, Lieutenant General Daniel Schroeder, said after visiting Kigali that people on the streets waved and appeared friendly.

"I did not feel threatened," he said.

Making the comparison more complete is the presence at the

Rwandan border of many of the relief agency and UN officials involved in the early stages of the Somalia operation. Unicef has even brought in six Somalis to help relief efforts here.

These surface parallels — and the disaster that the Somalia mission became — have made the international community timid about Rwanda and other foreign "humanitarian" military ventures. "The Somalia syndrome" is how one UN official here described the world's reluctance to intervene.

The Rwanda operation, however, does differ in several key respects, at least as concerns the planned American involvement.

Perhaps the most important difference is the scale, just a few thousand U.S. troops in Rwanda compared with the more than 20,000 in Somalia.

The troops going to Kigali will be going at the invitation of the government in place, the Rwanda Patriotic Front, which seized Kigali after weeks of heavy fighting. In Somalia, a country still with no government, America's intervention was largely a unilateral affair, although the veteran diplomat Robert B. Oakley later won agreement from leaders of clans and factions.

"If there's a legitimate or recognized government on the ground, it's far different than when you have competing factions," said a Unicef spokesman here who normally works in Mogadishu.

Another difference, he said, is that while U.S. troops in Somalia were entering a violent situation, the fighting in Rwanda seems largely over since the Front declared victory July 18 and set up its own government. Most of those routed had fled across the border here to Zaire.

RWANDA: Humanitarian Role Stressed as U.S. Reopens Kigali Airport

Continued from Page 1

other equipment needed to unload aircraft. They were the first of a follow-up force to a 15-member advance party that arrived in Kigali on Saturday afternoon.

While much of the city's normal population of 350,000 is dead, missing or in refugee camps, residents are slowly returning to the largely empty city, and an overriding sense of calm pervades.

The arriving Americans have set up camp on the second and third floors of the airport and has encountered no problems, officers and soldiers say.

A 54-member air force team from the 436th Air Lift Wing at Dover Air Force Base in Delaware scrambled to get set up and operating within four hours of landing. Runway lighting was quickly repaired.

"This is a 24-hour-a-day operation from this point on," said Mr. Perry, who added that the expanded operations here



A cholera patient being carried by her father into a clinic in the Rwandan town of Rubavu.

would more than double the capacity to deliver relief supplies to Kigali.

The United Nations High Commissioner for Refugees, Sadako Ogata, also visiting Kigali on Sunday, said the increasing capability to deliver relief goods to the Rwandan refugees was "quite positive, especially with the U.S. military coming in to deal with airlift." But at the same time, he said, it is far from adequate.

Mr. Twagiramungu expressed gratitude for the U.S. relief mission, saying, "We want this operation to be a real success."

He reiterated pledges from the Rwandan government that returning refugees would be safe from reprisals.

"We are not going to get into a trap of revenge, retribution or reprisal," Mr. Twagiramungu said, but he said those responsible for war crimes would be put on trial.

The caution with which the United States is entering Rwanda was immediately evident. Although Canadian and other

UN troops are free to travel in the city without flak jackets or weapons, arriving U.S. airmen were told they would be confined indefinitely to the airport.

Balladur Says French May Stay On

Prime Minister Edouard Balladur said on Sunday that French troops might stay on in a safe zone for refugees in southwest Rwanda beyond the expiry of their UN mandate on Aug. 22 to avoid destabilization, Reuters reported from Goma, Zaire.

"We will not withdraw unless we have the feeling that the zone is safe and that it will remain safe after our departure," he told French television after touring the refugee disaster area by helicopter.

However, he said that given the level of world concern about the Rwandan refugee crisis, he could not believe it would be impossible to find 2,000 soldiers to replace French troops who had played a protective role alone for the last two months.

HAITI: Action Approved

Continued from Page 1

the U.S. military to usher him back into office, in a letter calling for "prompt and decisive action" to restore democracy. The Haitian constitution barred him from giving more explicit approval for foreign intervention.

Father Aristide's letter was enough to calm Latin American countries. Since he is still the legal president of Haiti, they can argue they are not defending a unilateral U.S. assault, like the 1989 U.S. invasion of Panama, which a majority of them opposed.

The Pentagon has said as many as 15,000 U.S. troops could be used in an intervention. Argentina has confirmed its participation and offered 600 soldiers. Jamaica is considering a small role.

The resolution also lays the groundwork for a 6,000-troop peacekeeping mission under UN command that would take over from the U.S.-led force once order is restored, to remain until February 1996. The peacekeepers would train and reorganize the Haitian Army and police, and monitor national elections late next year.

U.S. officials said several thousand American troops would stay behind in Haiti to join this mission, putting on UN blue berets again as they did in Somalia. But Washington would insist on an American commander. The costs would be paid through the United Nations, with the U.S. share about one-third.

In an unusual twist, the council resolution also sets up a force of several dozen international monitors to keep an eye on the U.S.-led assault for the Security Council. This is a concession to Russia, after the council set up similar monitors group in mid-July to scrutinize Russian troops who are on a UN-approved peacekeeping mission in Georgia.

Even though the United Nations is staggering under the burdens of its operations in Bosnia, Rwanda, Somalia and 14 other places, the United States moved to extend its reach once again, indicating there remains no other forum for mobilizing concerted multilateral action for crises that no power wants to take on alone.

Mrs. Albright detailed in scathing terms why the United States is at the end of its patience with the officers who overthrew Father Aristide.

"The usurpers now wielding power have brazenly murdered political opponents, they have sown terror among the poor, they have gone back on their word, they have created a puppet show and called it a government," she said.

Syria Unbending On Israeli Peace

Mubarak Reports to Rabin After His Talks With Assad

By Youssef M. Ibrahim
New York Times Service

TABA, Egypt — President Hosni Mubarak and Prime Minister Yitzhak Rabin of Israel failed Sunday to signal significant progress in bringing Syria and Israel closer to a peace treaty.

The two leaders, admitting in a news conference that neither of them was a "prophet," said they had no clue of what it would take to persuade President Hafez Assad of Syria to follow the example of Egypt, the Palestine Liberation Organization and Jordan in moving to end the state of belligerence that has existed between the two countries since 1948.

The meeting was set up for Mr. Mubarak to report to Mr. Rabin on the results of his talks earlier in July in Syria. But even before the meeting, several Israeli officials were signaling that they held little hope, largely because they felt that Mr. Mubarak had little influence over the Syrian president.

"The main role President Mubarak sees for himself — and an important role in the Syrian-Israeli process — is to pass on perceptions and not necessarily some sort of specific messages between the two sides," Yossi Beilin, Israel's deputy foreign minister, said.

Mr. Rabin reiterated the need for Syria to move toward direct talks with Israel instead of relying on intermediaries such as Egypt and the United States.

"Syria has to do something in its public diplomacy that will bring the people of Israel the conviction that Syria is eager to have peace," Mr. Rabin said. "I will give you an example. When President Sadat came to Jerusalem, believe me, he broke all the psychological walls."

He was referring to Anwar Sadat of Egypt, who made a historic visit to Israel in 1977 that led to a peace treaty between the two countries in which Israel returned all Egyptian-occupied lands.

"We haven't seen anything of this kind or on this scale from Syria," Mr. Rabin said.

Speaking of Yasser Arafat, the Palestine Liberation Organization chairman, Mr. Rabin also expressed some skepticism about the performance of the PLO since it obtained limited self-rule in the Gaza Strip and Jericho.

Mr. Rabin criticized him and the community of world financial donors that had agreed to finance \$2.4 billion worth of investments there, accusing them of having done very little.

"What worries me for the present is the stalemate, the inability of the donor countries and the PLO to achieve what the donors need to push some \$400 to \$500 million for economic and social development," he said.

He warned that failure to revive the economies of Gaza and other Palestinian regions would translate into a general disappointment with the autonomy agreement signed by the PLO and Israel on May 4 in Cairo.

NAACP Leader Denies Harassment Of Employee and Files Countersuit

The Associated Press

ATLANTA — The NAACP executive director, Benjamin L. Chavis Jr., denied Sunday that he sexually harassed a former employee and accused the woman in a countersuit of failing to keep her end of an out-of-court agreement.

Mr. Chavis, head of the National Association for the Advancement of Colored People, and the former worker, Mary E. Stansel, reached their settlement in November 1993. According to court records, Ms. Stansel was to be paid \$50,000 and then six monthly installments of \$5,400.

Under another provision of the agreement, the NAACP was to pay Ms. Stansel \$250,000 if Mr. Chavis could not find her another job that paid at least \$80,000 a year. Ms. Stansel said Mr. Chavis reneged on that part and is suing the organization for \$250,000.

CAMP: The Terrible Secrets About the Serbian Slaughter and Eviction of Muslims

Continued from Page 1

until it closed four months later, groups of Muslims were executed every night. Nearly all were civilians. On at least one occasion, a group of more than 100 people was executed in this way.

• Muslim men, women and children in Vlasenica were rounded up with equal brutality and subjected to the same squalid conditions in Susica. Susica was generally a transit camp for women and children, but some were executed.

• Many Muslim men from Vlasenica who were not executed were eventually transferred to the Batkovic camp near Bijeljina, about 60 miles to the north. At Batkovic, the Serbs presented these civilians to the Red Cross authorities as "prisoners of war" rather than what they were, arbitrarily arrested civilians.

Mr. Popovic, who was a sergeant in the Yugoslav Army in the late 1970s and joined the Bosnian Serbian forces when the Bosnian war broke out, explained his decision to talk as an attempt to assuage his conscience.

He admitted to having beaten Muslim prisoners, but says he never killed any. Increasingly troubled after Susica closed, he said he deserted the Bosnian Serbian army and fled Vlasenica on Jan. 1, 1993, abandoning a timber business and his home there.

"The worst part of it was knowing the prisoners," he said, tugging nervously at his beard. "I had grown up with these Muslims, as had the guards. And yet we beat them with pieces of timber and iron rods. How could anyone imagine such things before they started?"

"There is no question that the orders came from the highest level," said Mr. Popovic, who is now out of the former Yugoslavia.

Beatings and executions of civilians have not only been the work of Serbs in Bosnia. Both Croats and Muslims have also operated camps during the Bosnian war, and the Muslims' Tarcin camp near Sarajevo is a prison

where the international authorities believe that Serbs have been widely abused.

Serbian civilians have been brutally evicted by Muslims from many towns in central Bosnia, including Zenica.

Asked about events in eastern Bosnia and Vlasenica, Budimir Kostic, the head of a war crimes commission established by the Serb-dominated Yugoslav government, argued that Serbs have been imprisoned in many camps by the Muslims. He insisted that Muslims "initiated whatever happened in Vlasenica by provoking and attacking the Serbs in the first three months of 1992 in several villages in eastern Bosnia."

It is certain that the rise of the Muslim-nationalist Party for Democratic Action, of the Bosnian president, Alija Izetbegovic, gave Serbs throughout Bosnia cause for some concern over their future. But Western diplomats have found little evidence of attacks on Serbs before the war began.

Neither Major Jasicovic, identified by Mr. Popovic as the overall commander of Susica and the "cleansing" of Vlasenica, nor Mr. Nikolic, whom survivors of the camp and Mr. Popovic named as the man with day-to-day control of the camp, could be reached. The Bosnian Serbs severely restrict the movement of journalists, and do not hesitate to arrest them when they stray from officially permitted themes or itineraries.

"The Muslim families of Vlasenica ran away of their own accord when the Bosnian war broke out," Mikajlo Bajagic, the Serbian president of the town council, said in an interview. "But, for a period of time, there were some who were imprisoned, there were some who were confined."

What, Mr. Bajagic was asked, happened to these Muslims who were imprisoned or confined? "They were exchanged," he said, "against Serbian prisoners." Then, as he seemed to sense that he had said too much and mild panic spread across his face, he added:

"But what I say may not be completely

accurate. It is probably not accurate at all. I did not have this job at the start of the war. I really have no idea what was going on."

On May 31, 1992, three Serbs in a Volkswagen Golf drove up to the Vlasenica home of Hiba Mehmedovic, a 50-year-old widow. She knew one of them, whom she identified in an interview as Dragan Basia, but the others were unknown to her. All the men had automatic weapons.

The Serbs came into her house and arrested her two sons, Kemal Mehmedovic, a 27-year-old driver, and Nedžad Mehmedovic, a 25-year-old mechanic.

"Why are you taking my boys?" Mrs. Mehmedovic asked. The men replied that the arrests amounted to no more than an administrative procedure and that her sons would return shortly after reports had been filed. Mrs. Mehmedovic never saw her sons again.

That day, she tried to get information from the police, the mayor and a prominent Serbian doctor in Vlasenica. To no avail.

After her boys' arrest, Mrs. Mehmedovic said, she survived seven more weeks in Vlasenica, before being forced onto a bus on July 18 and taken to a village near the Muslim-held town of Kladanj, about 20 miles to the west.

For the last two years she has lived with other Vlasenica refugees in the classroom of a kindergarten in Kladanj, obliged to use toilets built for 4-year-olds and to sleep on a thin mattress on the floor beneath which she keeps two faded black-and-white photographs of her sons.

"Like any mother," she said, tears abruptly filling her eyes, "I have to believe my boys are alive."

Mr. Popovic, the Serb who was one of the 15 guards at Susica camp, said Mrs. Mehmedovic hopes in vain. "The two Mehmedovic boys were executed in June 1992," he said, "after being taken to the Susica camp."

While conditions for Muslims in Vlasenica were terrible throughout May 1992 — the

refugees said beatings, random arrests and reprisal killings were commonplace — their systematic eviction and slaughter did not start until the beginning of June.

First, a camp for this purpose had to be prepared, and in a former military depot called Susica the Serbs had found an ideal spot. Mr. Popovic said that at the beginning of May he was told by his commander, Captain Boban Kulic, that he was to work in a prison camp.

During May, Mr. Popovic said, a large hangar was emptied and the camp surrounded with thick coils of barbed wire. "Fifteen of us were chosen as guards," he said. "We were all over 30; they wanted people with some experience. The alternative was to be shot, or sent to the front line."

Tugging his beard, he added, "I still did not believe there would be massacres of civilians."

Zijad Zemir was one of the first men to enter Susica as a prisoner on June 2, 1992. He stayed in the camp until July 1. Now 19, he speaks with a stutter and fear haunts his pale eyes. He is a refugee in Tuzla.

"Two armed Serbs — I only know their first names, Milan and Miso — came to my house on June 2, 1992," he said. "They told me to put my arms behind my head and come with them."

Mr. Zemir was thrust into a group of about 200 Muslim men being rounded up in Vlasenica and led down to the Susica camp. There, he said, he was searched, and all his documents were taken. Then he was pushed into the hangar.

"The place was full of other civilians," he said. "Some were wounded, some very dirty. There was a concrete floor, and virtually nowhere to sit."

Conditions, according to more than 20

not allowed to wash; in the mid-summer heat, the smell was sometimes overwhelming.

Twice a day, prisoners were allowed to file out of the hangar to get a bowl of thin soup and use a toilet. No talking was permitted at any time, nor any blankets to cushion the concrete floor. Men were regularly stripped to the waist and beaten.

Sometimes prisoners were beaten to death. One such victim was Durmo Handzic, a Muslim who used to work in the telephone company in Vlasenica. Several witnesses said he was killed inside the hangar on or about June 15, 1992. Another older man, Asim Zildic, was beaten to death shortly afterward, Mr. Berbic said.

"It's true that Durmo Handzic was beaten to death," said Mr. Popovic, the guard. "It was believed that he had weapons. Another man beaten to death was Redžo Hatunovic."

Mr. Popovic described how the selection process at the camp worked: Men suspected of having some political influence or trafficking in arms were not taken for exchange and were generally executed; other men who seemed more innocuous were often transported to Batkovic camp for eventual exchange. Women and children were taken up to the front line a few miles to the west and forced to walk to Kladanj.

But in many cases, the process seems to have been very random. Harudin Meric, for instance, was arrested with his wife and three children and taken to Susica on June 2. Two days later, his wife and children were allowed to go to Kladanj. He was later taken to Batkovic camp and exchanged, and now lives as a refugee in Tuzla.

But his older brother, Muharem, a 44-year-old carpenter, remained in Susica camp.

"I have never heard anything about my brother again, although I wrote repeated letters," Mr. Harudin said.

Mr. Popovic said Muharem Meric had been executed.

TOMORROW: The pace of killing accelerates.

SPAIN: Feminist Battle

Continued from Page 1

and, as unemployment has climbed over the last three years, women have been hurt most; among men, the official jobless rate is 20 percent, but it is 30 percent among women. The average wage for women is still 30 percent lower than that for men.

She is also sponsoring "positive action" programs in both private business and government with a view to freeing women from their traditional roles as secretaries and personal assistants and promoting them to more senior positions.

Women now hold 42 percent of government jobs, but only 13 percent of top jobs are held by women and these are concentrated in the Ministries of Culture and Social Affairs, which are both headed by women.

In politics, she said, the objective is parity between men and women, but she conceded that this would not be easy.

Her favorite campaign involves the image of women.

"We have to change the stereotyped idea of the dependent woman," she said. "We have to create a new image in harmony with reality."

Has she been surprised by the effect she has had as a feminist in government? Apparently not. "I am just doing what people expected of me," she said quietly.

CALLING ONE FOREIGN COUNTRY FROM ANOTHER IS NO SECRET WITH THESE SIMPLE ACCESS CODES.

COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
AFRICA		ASIA		EUROPE		MIDDLE EAST	
Algeria	000-1000	Armenia	000-1000	Austria	000-1000	Bahrain	000-1000
Angola	000-1000	Australia	000-1000	Belgium	000-1000	Bangladesh	000-1000
Argentina	000-1000	Bahrain	000-1000	Bulgaria	000-1000	Burkina Faso	000-1000
Armenia	000-1000	Bangladesh	000-1000	Cameroon	000-1000	Burundi	000-1000
Australia	000-1000	Barbados	000-1000	Canada	000-1000	Cambodia	000-1000
Austria	000-1000	Belarus	000-1000	Chad	000-1000	Cameroon	000-1000
Bahamas	000-1000	Belgium	000-1000	Chile	000-1000	Canada	000-1000
Bahrain	000-1000	Belize	000-1000	China	000-1000	Chad	000-1000
Bangladesh	000-1000	Belize	000-1000	Colombia	000-1000	China	000-1000
Barbados	000-1000	Belize	000-1000	Congo	000-1000	Colombia	000-1000
Belarus	000-1000	Belize	000-1000	Cuba	000-1000	Congo	000-1000
Belgium	000-1000	Belize	000-1000	Cyprus	000-1000	Cuba	000-1000
Belize	000-1000	Belize	000-1000	Czech Republic	000-1000	Cyprus	000-1000
Bermuda	000-1000	Belize	000-1000	Denmark	000-1000	Czech Republic	000-1000
Bhutan	000-1000	Belize	000-1000	Egypt	000-1000	Denmark	000-1000
Bolivia	000-1000	Belize	000-1000	Finland	000-1000	Egypt	000-1000
Bosnia and Herzegovina	000-1000	Belize	000-1000	France	000-1000	Finland	000-1000
Brazil	000-1000	Belize	000-1000	Germany	000-1000	France	000-1000
Bulgaria	000-1000	Belize	000-1000	Greece	000-1000	Germany	000-1000
Burkina Faso	000-1000	Belize	000-1000	Hungary	000-1000	Greece	000-1000
Burundi	000-1000	Belize	000-1000	Iceland	000-1000	Hungary	000-1000
Cambodia	000-1000	Belize	000-1000	Ireland	000-1000	Iceland	000-1000
Cameroon	000-1000	Belize	000-1000	Israel	000-1000	Ireland	000-1000
Canada	000-1000	Belize	000-1000	Italy	000-1000	Israel	000-1000
Chad	000-1000	Belize	000-1000	Japan	000-1000	Italy	000-1000
Chile	000-1000	Belize	000-1000	Korea	000-1000	Japan	000-1000
China	000-1000	Belize	000-1000	Laos	000-1000	Korea	000-1000
Colombia	000-1000	Belize	000-1000	Lebanon	000-1000	Laos	000-1000
Congo	000-1000	Belize	000-1000	Lithuania	000-1000	Lebanon	000-1000
Cuba	000-1000	Belize	000-1000	Malaysia	000-1000	Lithuania	000-1000
Cyprus	000-1000	Belize	000-1000	Mexico	000-1000	Malaysia	000-1000
Czech Republic	000-1000	Belize	000-1000	Moldova	000-1000	Mexico	000-1000
Denmark	000-1000	Belize	000-1000	Monaco	000-1000	Moldova	000-1000
Egypt	000-1000	Belize	000-1000	Netherlands	000-1000	Monaco	000-1000
Finland	000-1000	Belize	000-1000	New Zealand	000-1000	Netherlands	000-1000
France	000-1000	Belize	000-1000	Norway	000-1000	New Zealand	000-1000
Germany	000-1000	Belize	000-1000	Poland	000-1000	Norway	000-1000
Greece	000-1000	Belize	000-1000	Portugal	000-1000	Poland	000-1000
Hungary	000-1000	Belize	000-1000	Romania	000-1000	Portugal	000-1000
Iceland	000-1000	Belize	000-1000	Russia	000-1000	Romania	000-1000
Ireland	000-1000	Belize	000-1000	Sweden	000-1000	Russia	000-1000
Israel	000-1000	Belize	000-1000	Switzerland	000-1000	Sweden	000-1000
Italy	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	Switzerland	000-1000
Japan	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Korea	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Laos	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Lebanon	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Lithuania	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Malaysia	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Mexico	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
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Monaco	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
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New Zealand	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Norway	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Poland	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Portugal	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Romania	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Russia	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Sweden	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
Switzerland	000-1000	Belize	000-1000	United Kingdom (Mandatory)	000-1000	United Kingdom (Mandatory)	000-1000
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CAPITAL MARKETS

Hot Japan Summer Cools Utilities' Need for Bonds

By Ken Ellis

TOKYO — It only makes sense that Japan's record high summer temperatures would be good to sellers of beer and bikinis. But could they also be a boon for bonds?

The answer appears to be yes. High temperatures help power companies because air conditioners running full tilt need lots of juice. And with utility profits up, the need for raising cash with bonds is down, an official at The Nomura Securities Co. said.

The electric power companies aren't worried about bond yields and how much can they pay on interest anymore," he said. "They're concerned more with how much cash they're going to get out of the hot summer."

Japan's nine largest utilities had planned to sell 2.26 trillion yen (\$22.6 billion) for the year ending next March. Only the central and local governments issue more.

In July, though, only The Tokyo Electric Power Co., Japan's largest power company, and Chubu Electric Power Co. issued bonds. Japanese bond underwriters said that Tokoku Electric Power Co. and The Chugoku Electric Power Co. have scrapped their plans to issue bonds in July.

Why? All nine of the electric power companies on Japan's four main islands have seen new records for electricity demand, the Nomura official said.

Roughly a third of the way through the 1994 financial year, the nine big utilities have so far issued just over a quarter of the 2.26 trillion yen in bonds they had slated for issue this business year.

Utilities' appetite for bonds is normally curbed in summer anyway because high temperatures slow construction of new power plants that additional bonds would help pay for.

Another reason electric companies have scrapped bond issue plans is that life insurance companies are lending them money at a rate lower than what it would cost the power companies to sell bonds, an underwriter for The Nikko Securities Co. said.

With most Japanese corporations trimming capital investment plans, financial institutions, which are having a difficult time making loans, have turned to utilities, which must keep investing in plants and equipment for long-term growth.

Japanese bankers said that for most of July, Japanese life insurance companies were offering corporations 10-year loans for 4.4 percent, the same rate as Japan's long-term prime rate on five-year bank loans. For most of July, 10-year government bond yields have remained above 4.4 percent.

If an electric utility company were to sell 10-year bonds to investors, it would have to pay a yield higher than that on government bonds to attract investors and pay securities companies for underwriting fees.

With utility profits up, the need for bonds is down.

In Moscow, No Bailout For MMM Investors

The Associated Press

MOSCOW — The Russian government will not reimburse investors who lost money in the country's biggest investment fund, Prime Minister Viktor S. Chernomyrdin said Sunday.

Thousands of shareholders gathered at the headquarters of the investment firm MMM trying to turn in old shares and buy new ones that went on sale Sunday. They demanded that the government give financial assistance to MMM to allow it to pay off investors.

The Russian government will not pay compensation for financial losses incurred by the MMM joint-stock company shareholders, since money for that purpose can be taken only from taxpayers who did not buy MMM shares," the ITAR-Tass news agency quoted Mr. Chernomyrdin as saying.

Shares in MMM were the hottest item in Russia until last week, when the stock plummeted in a matter of days. Trading in MMM shares was halted over the weekend, except at the company's headquarters, where a new special issue went on sale Sunday for 1,065 rubles (about 50 cents). Company officials predicted the shares would soar in value.

Critics of MMM say it is a classic pyramid scheme, where money from investors who enter late in the game is used to pay off earlier share buyers. It must ultimately collapse, they say, when the pool of new investors dries up.

MMM insists that it is a legitimate investment firm with holdings in industry and other enterprises.

Mr. Chernomyrdin said the government was partly to blame for the fiasco because it did not warn investors. But, he said, people "were aware they were investing money in a risky undertaking."

Mr. Chernomyrdin also said the Russian cabinet was preparing a legislative package to regulate the securities market.

If the MMM collapses totally, it is likely to damage public confidence in market reforms in general, which could have dire political consequences. Up to 10 million Russians have invested in MMM, lured by its aggressive advertising promising of instant riches.

Taking the German Plunge

U.S. Firm Finds Its Investment Pays Off

By Brandon Mitchener

International Herald Tribune

FRANKFURT — Since the early 1980s, sky-high wages, taxes and other costs have given foreign investors good reason to beat a path around Germany's door. Recession and a costly rash of racism since German unification in 1990 have done their part to make a bad situation worse.

For the brave few companies that have made the plunge, however, an investment has often paid off handsomely, as Robert Shaw can testify.

"When people say it's wrong, I think that's the best time to invest because you get a better deal," said Mr. Shaw, president and chief executive officer of International Jensen Inc., a Chicago area-based stereo speaker maker that has bought two companies in Germany in the past two years and is hungry for more.

"I wouldn't close the door on further acquisitions or other forms of relationships," he said. "We're constantly window shopping."

International Jensen acquired Magnat Audio, one of Germany's top automotive and home speaker brands, in September 1992 and Mac Audio Electronic, a company that designs and markets car speakers and related electronics, a year later.

Magnat, which was in bankruptcy proceedings when International Jensen bought it, has been in the black virtually from day one, according to Mr. Shaw, and Mac Audio, a key to the company's future expansion, is also reported to be performing well.

The company's decisions illustrate the kind of investment Germany is attracting these days. Neither Magnat nor Mac Audio manufactures anything itself. Rather, both companies buy their products from partners in Germany and elsewhere and focus on sales and marketing.

Since the end of the 1980s, in fact, foreign net investments in German holding companies and financial institutions have totaled 22 billion Deutsche marks (\$14 billion), while manufacturing has seen a net divestment of 8.5 billion DM.

But U.S. and other foreign companies continue to invest in Germany because it remains the world's third largest economy, hosts a growing financial center and is strategically located in a region with good prospects for long-term growth.

"We see tremendous opportunities in our products in Europe and in an expanded Europe in the decades ahead," said Mr. Shaw, a former management consultant and White

See JENSEN, Page 10

China to Widen Global Access to Stock Markets

By Kevin Murphy

International Herald Tribune

SHANGHAI — Struggling to bolster investors' faith in China's stock market, Beijing will indefinitely suspend new share listings and allow foreigners greater influence in markets now largely off limits to them.

Comments by China's top securities regulator, Liu Hongguo, and reports in the official People's Daily indicate that Beijing is placing increased faith in international investors' ability to both support its troubled stock markets and match Chinese industry's strong thirst for capital.

Regulators hope to halt a destabilizing 72 percent share price slide in China's domestic market since January — the worst performance of 182 equity market indexes measured globally — by chocking off the supply of new shares in its local-only, or A share, market.

At the same time, Mr. Liu hinted at plans to allow up to \$1 billion worth of new B shares to be issued "in coming years," which would roughly triple the current size of the market for foreign currency-denominated stocks available to non-Chinese investors.

"The recent problems in the stock markets are problems that come with progress," said one regulator quoted in the People's Daily who attended a high-level Beijing conference charged with finding solutions to the country's market woes.

To be sure, steps such as accelerating the opening of China's markets to foreign investment, which brings an inevitable loss of control over individual companies, and raising less cash from the sale of state assets are seen as unpalatable by some officials.

Moreover, apart from waning ideological concerns about allowing foreign ownership in Chinese companies, the chief practical obstacle to direct foreign investment in the larger A share market has been the lack of full convertibility of the Chinese yuan.

However, Beijing plans to open up the local market to investment by Sino-foreign joint venture fund management companies on a trial basis.

Beijing also said that it would pour an undisclosed amount of government funds into the market through selected securities companies in an attempt to bolster long-term institutional investment.

Plans to list up to 21 Chinese companies, dubbed H shares, on Hong Kong, New York and other stock exchanges will proceed gradually, but probably at less ambitious asking prices than China's first offerings sold last year.

"With about 50 B shares and 10 H shares, foreign fund managers have few good choices available to them," said Bill Sung, a China fund manager with Morgan Grenfell Investment Management (Asia) in Singapore. "But there is a gold mine in some of the A shares."

Up to 5 million Chinese are estimated to have become shareholders in about 200 listed companies since stock markets opened in Shanghai and Shenzhen three years ago.

Once thought to be a ticket to instant riches, when millions amassed outside the two stock exchanges for a chance to buy a relative handful of shares, China's stock markets have been battered by the government's attempts to cool an overheated economy and an oversupply of newly issued stocks with checkered histories.

This year, and especially in recent weeks, losses of up to 9 percent in one day's trading, as happened Thursday in Shanghai, have taken the luster out of share ownership.

Strict measures against unauthorized speculation in property and stock markets, rising interest rates, and rumors that China will increase the size of a \$11.8 billion sale of high-yielding bonds to finance its fiscal deficit, have combined to hammer local investors' confidence.

China's B shares, however, have enjoyed a recent rally, with many foreigners seeing a buying opportunity after months of losses and signs that Beijing has engineered a soft-landing for its economy.

"There is always the fear the locals know more than you," said one Hong Kong-based China analyst of the tentative turnaround in market sentiment. "But we're seeing signs that up to 40 percent of recent B-share trades are being done by local people with access to foreign currency."

Analysts believe that large Chinese investors may be buying out of the A shares to buy B shares, which entitle them to equal dividends and voting rights but which cost less to purchase.

A year ago, Shanghai B shares traded at a 75 percent discount, on average, to identical A shares. That differential has steadily narrowed, with some individual B shares now at a premium against the related A shares.

Insider Traders Fined
Two people have been fined a total of 710,901 Hong Kong dollars (\$92,085) in Hong Kong's first stock-market insider trading conviction, the government said, Agence France Presse reported from Hong Kong.

Tony Lau, a director of Success Holdings Ltd., was found to have passed on information in mid-1992 regarding the then-listed company to his girlfriend, Chan Dan-nar, who in turn used the knowledge to deal in Success shares.

Iraq Plans Higher Oil Output

By Paul Lewis

New York Times Service

BAGHDAD — Expressing confidence that the United Nations embargo on Iraqi oil exports will be lifted by early next year, the Iraqi oil minister said he was preparing to triple oil output over the next few years from an initial 2 million barrels a day.

Revenue from the increased oil production could offset the cost of the reparations that Iraq must pay for its 1990 invasion of Kuwait. But it could also put pressure on world oil prices, unless demand keeps growing and production declines elsewhere.

In an interview, Safa Hadi Jawad, the oil minister, estimated that Iraq would have the capacity to export slightly more than 2 million barrels of oil a day after the embargo is lifted.

But he said Iraq intended to raise production to its quota within the Organization of Petroleum Exporting Countries of 3.6 million barrels a day, the same level as Iran, within 10 to 14 months, once it obtains the parts needed to repair oil installations damaged during the Gulf War. Iraq was producing an estimated 3.3 million barrels a day before the war.

In the next six to eight years, the minister said Iraq would almost double this level of output, increasing production to 6 million barrels a day by developing new oil fields in the south of the country in joint ventures with foreign companies. Southern Iraq's undeveloped oil reserves are estimated at 20 billion to 30 billion barrels.

Iraq's hopes have been bolstered by recent movement within the United Nations toward relaxing the embargo on Iraqi oil exports.

Although the Security Council agreed not to remove the trade sanctions when it reviewed them recently, several countries, led by Russia and France, made clear that they would like to see sanctions relaxed early next year if Iraq continues to cooperate with U.N. disarmament efforts.

Mr. Jawad's projections come at a time of rising oil prices. In the United States, crude oil for current delivery has surged above \$20 a barrel from \$14.50 in late March.

To ensure that Iraq's return to the oil market did not depress prices, Mr. Jawad said he expected Saudi Arabia and Kuwait to accept lower OPEC production quotas.

In the longer term, he predicted that Iraq's plans to raise oil production would not make oil prices because rising Iraqi exports would merely fill the gap left by expected production declines in Algeria, Indonesia and the North Sea.

If Iraq succeeds in pushing up its oil production sharply, and if oil prices do not plunge because of increased supply, by the end of the century Iraq may offset the economic consequences of invading Kuwait.

It would be pumping enough new oil to compensate itself for the 30 percent slice of oil revenue that it must pay in reparations under the Security Council's terms for the Gulf War cease-fire.

Assuming Iraq can produce 6 million barrels of oil a day, it will be required to hand over the revenue from 2 million barrels a day to the Kuwaiti compensation fund, but it will still retain control over the other 4 million barrels a day.

That would give it oil revenues comparable to those it had before the war, assuming oil prices remain unchanged.

Kuwait Privatizes

Finance Minister Nasser Abdullah Rodahan of Kuwait on Sunday announced a \$12 billion plan to privatize state-owned enterprises, Agence France-Presse reported from Kuwait City.

Mr. Rodahan, quoted by the English-language daily Arab Times, said it would cover privatization of enterprises in the water, electricity and communications sectors.

One Loyal Golfer 'Signs' On

By Erik Ipsen

International Herald Tribune

RICKMANSWORTH, England — Christopher Boxall would have been the ideal contestant for "What's My Line?," the American television game show of the early 1960s, where celebrity guests posed probing questions to the contestants in an effort to ascertain his invariably offbeat occupation.

In fact, the handsome 30-year-old former accountant is the managing director of CB Designs International Ltd. But only the company's logo, a crossed golf club and paint brush threaded through a "CB" insignia, offers any clue to his true line of work.

Mr. Boxall's five-year-old firm makes golf signs. You know, the signs on golf tees that list the hole number, yardage and number of strokes required to make par.

"Other companies do golf signs by default," says Mr. Boxall, "the 30-year-old founder of CB Designs. 'We market ourselves as makers of high-quality golf signs.'"

Working out of a second-floor set of offices in Rickmansworth, just north of London, that he shares with a local osteopath, Mr. Boxall and a full-time staff of seven have to date furnished about 100 golf courses with signs. His clients range from the golfing world's holiest of holies, such as St. Andrews in Scotland, to Spain's Valderrama, home of the 1997 Ryder Cup, and the Royal Hong Kong Golf Club. He's even supplied courses created by British Coal on the sites of some of its abandoned open-pit coal mines.

What CB Designs offers its customers is high-quality signs — any size and shape — made of anything from cast aluminum or bronze to etched slate or granite.

"We are delighted with our signs," said Greg Dukart, director of golf at the East Sussex National Golf Club, home of last year's British Open. East Sussex bought four sets of slate tee signs for each hole to spruce the course up in preparation for the Open.

"They turned our order around in just six or seven weeks," he said.

It was five years ago, while he was working as an accountant for Touche Ross in Paris, that Mr. Boxall began casing about for a lucrative business niche in which he could find his own company. Being an avid golfer with a 7 handicap, indeed, had much to do with his move toward the links.

So too did the high average income of people who play golf, and the fact that golf signs — from those at the course entrance to the tees — were frequently just not, as he saw it, up to snuff.

"People spend millions on new courses and when you go there the first thing you see is a

tatty piece of plastic with the course name hanging off a dinky little pole," he observed, noting that the tee signs are rarely any better.

CB Designs' signs are not tatty. On the other hand, they are not cheap either. Mr. Boxall's price for outfitting a typical 18-hole golf course in tee signs alone ranges from \$800 (\$1,224) to \$45,000, depending on the aesthetic ambitions — and budget — of the course's owners.

Once upon a time, the posh, country-club look that Mr. Boxall specializes in was anathema to most British golf clubs. Only recently, under the influence of some of the most prodigious and deep-pocketed creators — in particular, the Japanese — have owners become more image-conscious.

To Mr. Boxall's chagrin, the most traditional and some of the most famous of Scottish courses still eschew signs altogether. At some venerable courses, notably Muirfield, the only clutter permitted on the course is a tin box on each tee containing sand and grass seed so that golfers can dutifully undue their divot damage. If confused golfers cannot find the seventh tee from the sixth green, fine. Scottish traditionalists insist their courses can be played in any order.

After nearly five years in business, Mr. Boxall is hoping finally to break into the black this year with expected revenues of around \$500,000. Key to that forecast is a major new diversification into house signs under the name Strawberry Signs.

"With that name, we are going for an English traditional, soft look," explains Michael Freedman, a private investor who earlier this year pumped cash into the company to help it gear up for its latest market foray in return for a large slice of the parent company's equity.

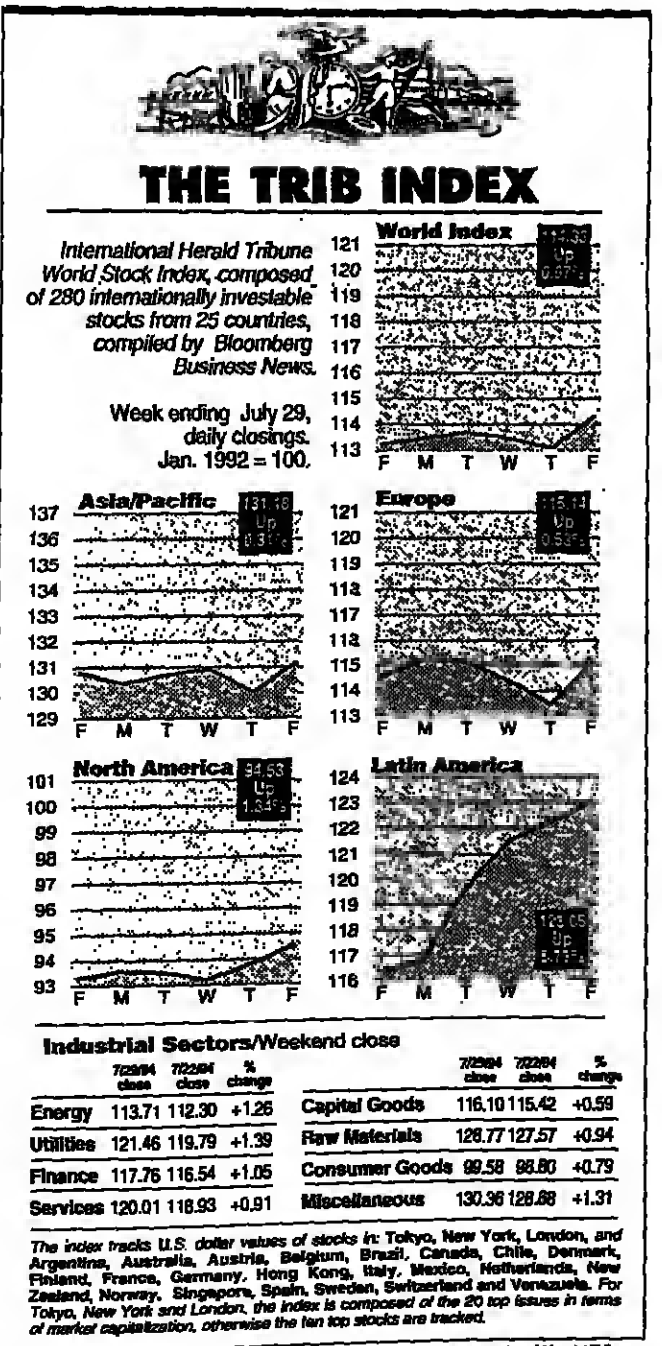
"Strawberry has a fruity feel to it without the hierarchical 'oomph' of CB Designs International Ltd."

Strawberry's house signs, like CB Designs' cast aluminum golf signs with their raised, hand-painted numerals, will be made to order.

"If you've got a dog with fourteen eyes and you want that on your sign, we will do that," said Terry Donovan, CB Designs' sales manager.

When it comes to the marketing, the two units will diverge. To service the 400-odd British garden centers, gift shops and iron mongers who have enlisted to carry CB Designs' products, Mr. Boxall and his colleagues say they emphasize a cheery familiarity — not the icy efficiency apparently favored by golf clubs.

"Golf clubs call up and insist on discussing their order with our managing director," notes Mr. Freedman. He contrasted that with the new house sign unit, where titles are conspicuously absent from business cards.



CURRENCY RATES

July 28

Currency	Unit	Rate	% Change
Australian dollar	A\$100	75.12	+0.12
British pound	£100	163.75	+0.15
Canadian dollar	C\$100	71.25	+0.10
French franc	FF100	6.55	+0.05
German mark	DM100	1.36	+0.02
Italian lira	L1,000	1,360	+0.05
Japanese yen	¥100	109.50	+0.10
New Zealand dollar	N\$100	47.50	+0.05
Swiss franc	Sfr100	9.00	+0.02
Taiwan dollar	T\$100	23.50	+0.05
US dollar	\$100	100.00	0.00

Other Dollar Values

Currency	Unit	Rate	% Change
Argentine peso	P\$100	1,360	+0.05
Brazilian cruzeiro	Cr\$100	200.00	+0.05
Chinese yuan	Y\$100	8.28	+0.05
Colombian peso	P\$100	1,360	+0.05
Costa Rican colón	CC\$100	1,360	+0.05
Czech koruna	K\$100	1,360	+0.05
Danish krone	Kr\$100	1,360	+0.05
East German mark	EM\$100	1,360	+0.05
East Asian dollar	EAD\$100	1,360	+0.05
East German mark	EM\$100	1,360	+0.05
East German mark	EM\$100	1,360	+0.05

Forward Rates

Currency	Unit	Rate	% Change
Australian dollar	A\$100	75.12	+0.12
British pound	£100	163.75	+0.15
Canadian dollar	C\$100	71.25	+0.10
French franc	FF100	6.55	+0.05
German mark	DM100	1.36	+0.02
Italian lira	L1,000	1,360	+0.05
Japanese yen	¥100	109.50	+0.10
New Zealand dollar	N\$100	47.50	+0.05
Swiss franc	Sfr100	9.00	+0.02
Taiwan dollar	T\$100	23.50	+0.05
US dollar	\$100	100.00	0.00

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CHLH1	9.81	-.04	Energy	17.34	-.01	Equipv	6.82	+.04	Herrige	9.45	-.04	ExEcon	9.45	+.04	Corido	10.01	-.13	ExEcon	11.54	-.06	BuMip	14.93	+.16	Prudser	6.51	+.03	FreeP	9.74	-.04	ASACR	17.93	+.28	GrSciS	2.57	-.01
			Electr	12.04	-.04	Equipv	12.50	-.08	Conan	11.75	+.17	ExEcon	9.45	+.04	ExEcon	9.45	+.04	ExEcon	11.54	-.06	CapTA	10.04	-.01	Prudser	6.51	+.03	USGov	10.38	-.04	CATF	12.02	-.07	GrSciS	5.36	-.01

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GoldB1	6.22	+	Quality
GynGrB1	6.49	+	Shares

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OTCB	7.76	+14	OH Ter p
MUGB	10.13	+26	Tot Actv ?
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MultiB	8.91	+ .06	HydA
Total	12.89	+ .09	IncGrA
UnitB	9.47	+ .09	IncGrB

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MuInB1	8.69	+ .03	GrEq
MUM Funds			IndxEd

S&P 500	-1.13	-1.1	Vallent
Mutual Fund			Nat'l Ind
Astoria	-13.25	+16	Nations Fun
Columbia	8.79	+12	AGHAP

MSB Fdn	16.93	+0.17	CPGrInP
MSB Fdn	16.93	+0.17	DivIN1

100

n 20.35	+ 21	LiNY p	324	+ 0
n 16.19	+ 08	Rodney Square:		
8.17	- 01	Chia g	13.48	+ 0

11.71	-36	Grin	10.73	+02
9.24	+40	MidWGr	11.77	
5.05	+01	Royce Funds:		

n27.18	+ .06	Value in	9.51	+ .04
n74.73	-.06	Rushmore Group		
18.46	+ .06	AmGen n	11.79	+ .04

4.34	+02	VA TIF-n 10.00	+04
4.92	-	Rydex Ponds	
14.50	+06	RydeNovo 10.25	+10

11/14	+36	S&P 500	16.40	-
10/97	+86	S&P 500	16.40	-
5/26	+01	CopGrn	7.47	+70
5/13	+03	CopGrn	7.47	+70

13.43	+.73	Bond p	10.40	+.19
9.29	+.07	Bond p	9.96	+.11
		Comp p	11.28	+.04

9.49	+ .13	ShGV, np	9.01	+ .03
undc		Int-xdn, pn	10.41	-.09
11.08	+ .18	IntVn, p	10.37	+ .05

10.72	+1.16	LSHMR 10.15.48	+1.17
29.26	-	KS TF. 10.48	+0.06
d 12.45	+0.06	NRCCG p 10.59	-0.01
11.55	+0.02	RA MUM 10.54	+0.01

EN 9.66	+ .07	SAFE Trust	4.12	+ .05
p 10.80	+ .04	STT Powder		
		Graininc	24.75	+ .37

10. *Journal of the American Medical Association*, 2000; 283: 2686-2692.

15	US Gov	10.08	+ .08
07	Whitrop Focus		
07	Wine In	9.92	+ .07

07	Woodward Pass	-	-
87	Balance	9.77	+ .08
06	Bond	9.58	+ .08
08	ComGrwth	18.18	+ .14

11	Interns	10.64	+ .92
10	All Men	10.00	+ .28
07	Manned	12.10	+ .08

.05	ClGrp	11.20	+ .01	..
.06	ClIne x	10.11	+ .02	..
.01	ClIsl	10.79	+ .03	..

11	Vanderbilt	16.36	+21
12	Vanderbilt	11.06	+29
39	Wright Equiflex		
31	Wright Equiflex		+11

03	Nordic n	10.00	+ .19
08	Spanish n	6.74	+ .17
11	Swedish n	9.74	+ .05

InstCh	13.68	+12
JvStCh	11.37	
NeuroBdn	10.24	+85

Yackinn	9.50	+11
YamGlab	9.24	+09
Zweig Pencil		
Steel	10.45	+04

18	ZS P Ap	12.19	+ .05
08	Strat C	12.46	+ .06
24	ZS App C	14.03	- .01

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1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

New International Bond Issues

Compiled by James Cornell

Issuer	Amount (millions)	Mat.	Coups	Price	Price and week	Terms
Floating Rate Notes						
Banca Nazionale del Lavoro (London)	\$200	1999	0.30	100	—	Over 3-month Libor, Reoffered at 99.72, Noncallable, Fees 0.38% (Swiss Bank Corp.)
Compagnie Financière de CFC et de l'Union Européenne	\$100	2001	0.1875	100	—	Over 3-month Libor, Noncallable, Fees 0.25%, Denominations \$10,000 (Soway Int'l)
Long-Term Credit Bank	\$120	2004	0.50	101 1/4	—	Over 6-month Libor, Callable from 1997, when interest becomes a fixed 10%, Fees 2%, Denominations \$100,000, \$100,000 (Int'l)
KFW Int'l Finance	¥30,000	1998	2.30	100	—	Fixed interest until February 1997, 6-month Libor plus 0.60% thereafter, Fees 1.5% (Daimler Europe)
Merrill Lynch & Co.	¥10,000	1998	2.40	100	—	Interest paid at 2.40% annual rate in November 1994, March 1995, September 1995, and November 1995. Thereafter, interest will be 0.25% over 6-month Libor, Fees 0.25% (Merrill Lynch Int'l)
Fixed-Coupons						
NV Bank Voor Nederlandse Gemeenten	DM750	1999	6 1/2	102 1/2	—	Reoffered at 99 1/2, Noncallable, Fees 1.5% (Swiss Bank Corp., Deutsche Bank, Goldman Sachs)
European Investment Bank	€200	2001	8 1/2	99.793	—	Reoffered at 98.218, Noncallable, Fees 1.5% (Barclays de Zotte Wadd)
European Community	ECU 220	2001	7 1/4	100.885	—	Reoffered at 99.31, Noncallable, Fees 1.5% (Swiss Bank Corp.)
Canadian Global Funding Corp.	CS 150	2004	10	100.825	—	Reoffered at 99.20, Noncallable, Fees 1.5% (Mortgage Bank)
Ontario Hydro	CS 350	1996	8 1/2	100.596	—	Reoffered at 99.56, Noncallable, Fees 1.5% (Mortgage Int'l)
ABN AMRO Australia	A\$ 75	1999	9 1/2	101.45	—	Noncallable, Fees 2% (ABN AMRO)
Queensland Treasury Corp.	A\$ 100	1997	4 1/2	90.659	—	Noncallable, Fees 1.5% (Mortgage Int'l)
Robobank Australia	A\$ 100	1997	8 1/2	101.857	—	Noncallable, Fees 1.5% (Swiss Bank Corp.)
Boyerische Landesbank Girozentrale	¥30,000	1997	3.30	100 1/4	—	Noncallable, Fees 0.1875%, Denominations 10 million yen (Daimler Europe)
European Investment Bank	¥50,000	1997	3.20	100.14	—	Noncallable, Fees 0.1875%, Denominations 10 million yen (Mortgage Int'l)
New South Wales Treasury Corp.	¥10,000	1997	3.15	100.20	—	Noncallable, Fees 0.15%, Denominations 100 million yen (Mortgage Int'l)
South Australia Government Financing Authority	¥18,000	1997	3.15	100.15	—	Noncallable, Fees 0.15% (Mortgage Int'l)
Equity-Linked						
Kowasaki Heavy Industries	¥20,000	1998	Open	100	—	Coupon indicated at 0.5% to 0.625%, Convertible into company's shares at a premium, Fees 2.5%, Terms to be set next week (Mortgage Int'l)
Parco	¥10,000	1999	0.62	100	—	Noncallable, Convertible into company's shares at 1,274 yen per share, 0.25% premium, Fees 2.5% (Daimler Europe)

China Bedges on Copyrights

Agence France-Press

BEIJING — A senior Chinese official has admitted that weak law enforcement has led to copyright infringements in China, and has announced plans for a nationwide inspection to curb the problem, the official China Daily reported.

State Councillor Song Jian's acknowledgment differed significantly from Beijing's traditionally tough stance in the conflict with the United States over China's alleged failure to protect intellectual property rights.

China has long insisted it was rigorously implementing laws aimed at protecting such rights. Zhang Yuciao, an official in the Foreign Trade Ministry, said last Wednesday that "as long as you have evidence, and as long as you follow the legal procedures, we are going to take action."

Mr. Song told a conference here that inspectors would be dispatched nationwide to seek out fake patents and trade marks, concentrating their investigations on the audio, video and computer software sectors.

The China Daily quoted Mr. Song as saying

that piracy had "undermined the authority of law and tarnished the country's international image." He said that proper protection of intellectual property rights was a condition for China's planned re-entry into the General Agreement on Tariffs and Trade, the paper said.

The remarks came as the diplomatic group working on China's re-entry into the world trade body was gathering in Geneva for a crucial round of talks. Beijing's alleged failure to protect intellectual property rights led Washington last month to designate China as a priority foreign country under the U.S. Trade Act's Super 301 provision.

That provision calls for a six-month investigation, with a possible 90-day extension, after which sanctions could be imposed.

Mr. Song said the State Council was now drafting new plans to help protect copyrights and urging local judges to punish violators in accordance with laws passed by the National People's Congress in early July. The laws made some copyright infringements criminal, rather than just civil offenses.

Bond Rally Pegged to Easing of Rate Rise Concerns

Bloomberg Business News

NEW YORK — U.S. bonds rose last week and yields dropped to their lowest level since June 23 after a report of lower-than-expected growth eased concern that the Federal Reserve would raise interest rates to subdue inflation.

On Friday, the yield on the benchmark 30-year bond was 7.39 percent, down 17 basis points from the previous Friday. The two-year note yield was 5.98 percent, down 10 basis points.

U.S. bonds are poised "to go up a lot," said Scott Grannis, chief economist at Western Asset Management, a Pasadena, California, firm with \$12 billion invested in bonds. "Bond yields could be back to 7 percent" by September, he said.

The Commerce Department said the economy grew at an annualized rate of 3.7 percent in the second quarter, below a widely anticipated rate of 3.9 percent.

The U.S. government also lowered its growth figures for previous quarters, to a 3.3 percent rate in the first quarter, down from 3.4 percent, and to 6.8 percent from 7 percent in the fourth quarter of 1993.

Bonds responded by chalking up their best one-day performance in more than a month. Bill and note yields fell even more than bond yields because they are more sensitive to Fed rate changes. The two-year note yield was 5.97 percent, down 22 basis points.

"What the market's telling you is that Fed probably won't raise rates in August," said Garret Kono, who manages

\$2 billion of assets for Dreyfus Corp. "I believe that's the reason for the rally."

Yields have been climbing since the Fed raised rates for the first of four times in February. The increase sounded a warning that the economy cannot keep up its brisk expansion without sparking inflation, which eats away at fixed-income investments such as bonds.

The second quarter's economic expansion was largely a function of rising inventories, the Commerce Department said. But the increase "doesn't mean the economy is exploding" because an inventory buildup could be a brake on the economy during the next three months, said James Hale, senior fixed-income strategist at MMS International in San Francisco.

To be sure, not all investors were convinced that the Friday report on economic growth was enough to reassure the Fed that another interest rate increase was not necessary to slow the economy.

"The Fed is still heralding the fact" that it is inclined to boost rates, said Dennis Ott, who heads fixed-income investments at Fortis Advisors, a Minneapolis firm with about \$1.6 billion in fixed assets.

In fact, evidence of slower growth means the next rate increase may be 25 basis points, instead of the 50 basis points analysts expected before the report, Mr. Ott said. "Maybe they'll continue to fine-tune it a little bit" by nudging rates upward, he said.

Plan Filed on Macy Merger

By Stephanie Strom

New York Times Service

NEW YORK — Federated Department Stores Inc. and R. H. Macy & Co. have filed a formal reorganization plan that will get Macy out of bankruptcy protection by merging the two longtime rival retail companies.

In papers filed Friday in the U.S. Bankruptcy Court for the Southern District of New York, the companies indicated that they had advanced their target date for getting Macy out of bankruptcy protection to December from January.

The reorganization plan outlines the way Macy's value will be allocated to the company's creditor groups.

The companies asked Judge Burton R. Lifland, who is presiding over Macy's bankruptcy case, to extend until Aug. 31 the deadline for filing a "disclosure statement," a document that sometimes accompanies the reorganization plan that provides details about financial projections, historical information and future operational plans.

The disclosure statement will offer a glimpse of the way the companies will be combined, although it may not specifically

name the stores that will close or the number of employees who will lose their jobs.

The reorganization plan is of interest primarily to Macy's creditors because it lays out how Federated will pay to settle claims against Macy.

Federated will pay \$392.1 million of cash, \$1.944 billion of new debt, stock in the new combined company valued at about \$1.661 billion and warrants to buy additional stock with an assumed value of about \$125 million.

All Macy's senior creditors are walking away from the bankruptcy with more than 100 cents on every dollar they were owed, and the junior creditors, whose claims are not secured by collateral, received more than many thought they would.

When the companies file the disclosure statement, Judge Lifland will hold a hearing, in late September or early October, the companies said. After he approves a plan, creditors will be asked to vote on it by mid-November. Federated's shareholders will have to approve the merger plan during that time.

The boards of the two companies will meet within the next

two weeks to vote on a formal merger agreement, lawyers for Federated said.

David Heiman, the lawyer representing Federated in its bid to merge with Macy, said Friday it was unlikely any hurdles to the merger would arise.

"The amount of creditor support across the board here for a first filing is very high," he said.

Federated, which operates Bloomingdale's and eight other department store chains, must still satisfy federal and state regulators about antitrust issues raised by the merger, which is marrying two rivals that compete head-to-head in such markets as New York and Atlanta.

Some senior creditors have already started squabbling about the way allocations of value were made. The Asahi Bank Ltd., a Japanese bank, has threatened to file a motion in court next week against Citibank, the lead bank on a slice of debt secured by 10 Macy's stores.

Asahi contends that Citibank abrogated its agreement with its co-lenders when it sold its claim to Fidelity Investments, the giant mutual fund company that is Macy's largest creditor.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes				Money Rates			
	July 29	July 22	Change		July 29	July 22	Change
United States	3,762.20	3,735.84	+26.36	Discount rate	7 1/2	7 1/2	0
DJ Indus.	186.59	183.10	+3.49	Prime rate	7 1/4	7 1/4	0
DJ Util.	1,584.95	1,645.12	-60.17	Federal funds rate	4 1/2	4 1/2	0
S & P 500	452.11	450.65	+1.46	Japan	1 1/4	1 1/4	0
S & P 500	452.11	453.11	-1.00	Discount	1 1/4	1 1/4	0
S & P 500	452.11	453.11	-1.00	Call money	2 1/4	2 1/4	0
NVSE C	252.62	252.34	+0.28	3-month interbank	2 3/4	2 3/4	0
FTSE 100	3,082.60	3,114.70	-32.10	Germany	6.00	6.00	0
FTSE 100	3,082.60	3,082.60	0.00	Lombard	5.00	4.95	+0.05
Nikkei 225	20,449.39	20,449.39	0.00	3-month interbank	5.00	4.90	+0.10
DAX	2,146.44	2,150.26	-3.82	Bank base rate	5 1/4	5 1/4	0
Hong Kong	9,482.81	9,152.99	+329.82	Call money	4 1/4	4 1/4	0
Hong Kong	9,482.81	9,152.99	+329.82	3-month interbank	6	5 3/4	+1/4
MSCI	623.20	625.90	-2.70	Gold	384.00	384.00	0
MSCI	623.20	625.90	-2.70	London p.m. fix	384.00	384.00	0

World Index From Morgan Stanley Capital Int'l

DAWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD INTERNATIONAL BOND FUND

DIVIDEND ANNOUNCEMENT

A dividend of US\$ 10 per share will be paid as from 8th August 1994 against delivery of the coupon or 8 of bearer share certificates at:

BANQUE PRIVÉE EDMOND DE ROTHSCHILD S.A.
Succursale de Luxembourg
20, Boulevard Emmanuel Servais
L - 2535 Luxembourg

The share will be quoted ex-dividend in Luxembourg Stock Exchange as from 8th August 1994.

WORLD STOCKS IN REVIEW

Via Agence France-Press

Amsterdam

Amsterdam shares continued their three-week-old surge, with the AEX index rising over five points last week to 408.21 from the week before.

Volume was strong, particularly on Friday when it rose to more than 1 billion guilders (\$561 million) as the index gained 2.99 points on the day before.

Shares in publishers VNU and Elsevier dipped against the trend, with VNU closing the week down at 181.90 guilders and Elsevier down 160.50.

Among the gainers, oil group Royal Dutch/Shell rose to 199.40 guilders because of a rising U.S. dollar.

Frankfurt

Frankfurt stock market prices slipped slightly in quiet trading despite bullish business news.

The DAX 30-share index fell 0.17 percent to 2,146.64 points. Volume fell to 35.2 billion Deutsche marks (\$20.8 billion) from 34.7 billion DM the week before.

Automaker BMW announced a 13.7 percent rise in half-year profits, but its shares fell five marks to 867.

Deutsche Bank dropped to 731.50 DM despite a slight rise in six months profits. Commerzbank fell to 337.50 DM.

Hong Kong

International investors pushed the Hong Kong stock market to its highest levels in two months last week, with the Hang Seng Index closing at 9,482.81 points, up 329.82 points, or 3.6 percent, on the week before.

Volume averaged 3.99 billion Hong Kong dollars (\$516 million), up from 3.40 billion the previous week.

Fund managers in Europe and the United States were hoping for brisk returns in Hong Kong amid an otherwise languishing world stock market scene, brokers said.

London

Talk that the Bank of England was about to raise interest rates depressed the London share market last week.

The Financial Times-Stock Exchange 100-share index closed Friday at 3,082.60 points, down 32.1 points, or 1 percent from the previous Friday.

A study from British employers warning of rising prices depressed the market, as did the poorly supported £2 billion (\$3 billion) government loan issue.

British Telecom fell to 368 pence after the government indicated it would maintain its block against the group going into cable television. Shares in tobacco and industrial group BAT rose to 442 pence on higher earnings.

Milan

Milan stock exchange shares fell last week, with the Mibtel index down on the week, but bouncing back Friday by 1.48 percent to 11,297 points after political worries eased.

The exchange took comfort as the end of the week from the announcement from Prime Minister Silvio Berlusconi that he would put his Fininvest media-based empire into a "blind trust."

The dispute over the conflict of interests between Mr. Berlusconi's roles as head of government and media tycoon had unsettled the market earlier in the week, as had the detention under house arrest of Mr. Berlusconi's brother Paolo on bribery charges.

Paris

Shares on the Paris Bourse last week were supported by solid company performances, with the CAC-40 index ending up 1.64 percent, at 2,074.99 points.

Little support came from the 0.10 point reduction in the Bank of France tender rate.

Shares in entertainment group Euro Disney fell after its latest rights issue. Eurotunnel rose to 26.95 French francs on buying from U.S. investors.

Singapore

Singapore stocks rose over the week as selective bargain hunting dominated trading. The Straits Times Industrial index gained 7.20 points, to 2,206.42, while the broader-based All-Singapore SES index

closed 7.27 points higher at 558.70 points.

Dealers said volume was generally sluggish but there was good interest in banking, technology and property shares. Malaysian stocks also found good support and dominated the major volume movements.

Total volume for the week was 508.23 million shares, worth 1.55 billion Singapore dollars (\$1.03 billion) against the previous week's volume of 402.67 million units.

Tokyo

The dollar's bounce to 100 yen for the first time in a month late last week helped Tokyo stocks rebound to around the previous week's closing level after having fallen to a two-month low on profit-taking on the strong yen.

The Nikkei Stock Average of 225 selected issues closed the week at 20,449.39 points, down 13.50 points from a week ago. The Nikkei index, fell through 20,000 points in midweek as foreign investors took profits on the strong yen, traders said. The market then bounced back as Japanese fund managers poured money into the underpriced market, they added. The rising dollar supported such export issues as electricals and autos.

Hitachi was down 35 yen to 965 yen and NEC down 60 yen to 1,140 yen. Honda Motor lost 30 yen to 1,730 yen. Nissan Motor dropped 37 yen to 770 yen and Toyota Motor sank 50 yen to 2,120 yen.

Zurich

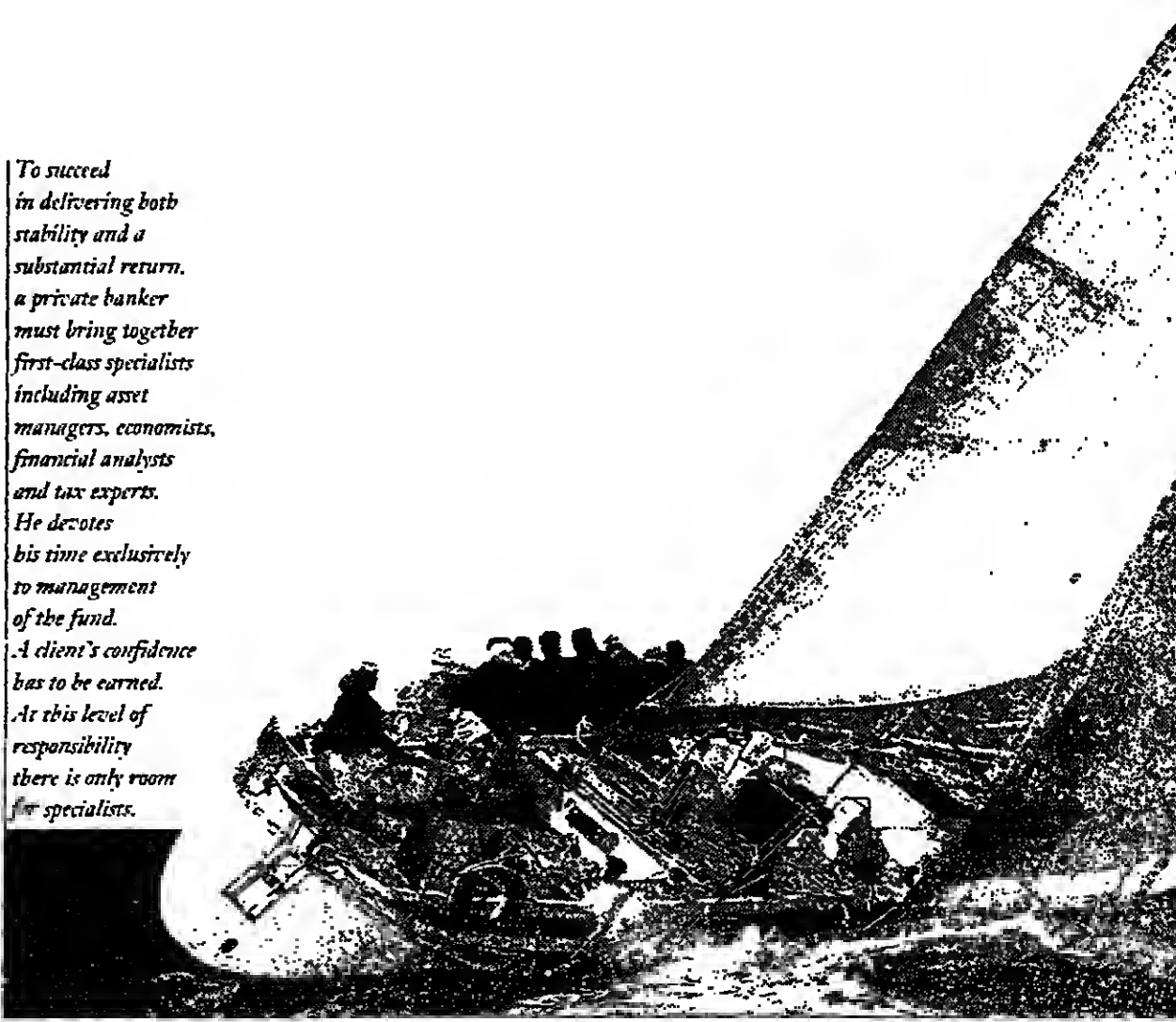
Zurich shares fell on nervousness before the release of half-year results by major banks this week. The Swiss Performance Index fell 10.29 points, or 0.5 percent, to 1,709.83 points.

Doubts over the strength of the dollar depressed the market, which generally relies heavily on U.S. investment. Fears of rising U.S. and U.K. interest rates also dampened sentiment.

Banking sector shares were weak on expectations that results would be weaker than last year. CS Holding, which announced its results after the exchange had closed, fell 2 Swiss francs to 571. Other major banks were also weaker.

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